

Transition of Acehese Legal Culture to the Implementation of Sharia Financial Qanun with Islamic Law Analysis

Khairul Azhar¹⁾, Mhd. Syahnun²⁾ & Arifuddin Muda Harahap³⁾

¹⁾Universitas Islam Negeri Sumatera Utara, Indonesia, E-mail: azharkhairul1976@gmail.com

²⁾Universitas Islam Negeri Sumatera Utara, Indonesia, E-mail: mhdsyahnun@uinsu.ac.id

³⁾Universitas Islam Negeri Sumatera Utara, Indonesia, E-mail: arifuddinmudaharahap@uinsu.ac.id

Abstract. *This study aims to analyze the transition of the legal culture of the Acehese people towards the implementation of Qanun Number 11 of 2018 concerning Islamic Financial Institutions (LKS). The implementation of this qanun is an important step in realizing a sharia-based financial system in Aceh, which has a Muslim majority population. The research method used is an inductive approach in qualitative research with the type of empirical legal research or socio-legal research, which aims to understand how the law operates in society. The three main approaches in this study are analysis of community responses, inhibiting and supporting factors, and the influence of changes in legal culture on the implementation of this qanun. The results of the study show that the implementation of the LKS Qanun received a positive response from the Acehese people, with significant changes in legal culture, where people began to shift from conventional bank transactions to Islamic financial institutions. Support for this qanun cannot be separated from political factors, the culture of a Muslim majority society, and clear legal substance. However, there are several challenges, such as rejection from some people who feel disadvantaged, as well as limited facilities and infrastructure that are not yet fully ready. However, the changes in legal culture that have occurred have contributed to positive economic growth and the welfare of the Acehese people. The implementation of this qanun has succeeded in becoming part of the Indonesian economic legal system and has the potential to be adapted by other regions with similar cultures. Thus, it can be concluded that the implementation of the LKS Qanun has succeeded in providing a positive impact on changing the legal culture in Aceh.*

Keywords: *Culture; Finance; Islamic; Qanun; Transition.*

1. Introduction

The process of adapting new values or cultures in dynamic and complex social life requires a transition period that is managed systematically and comprehensively. (Panjaitan & Harahap, 2023). The success of a society in adapting new traditions or cultures depends greatly on its ability to respond to and resolve the transition period. One method needed in dealing with the cultural transition period is "peaceful penetration" (penetration pacific), which is the process of peaceful entry of a

new culture. This is important so that the new culture or values can be adapted well without causing significant social unrest. In the transition process, it is important to consider universal and substantive aspects that are directly related to the interests of society, such as security, order, justice, and social welfare.

The Acehese people, after its establishment as a Special Autonomous Region, have faced various principal changes that require a transition period to adapt to these new values. An important step in this process was the Memorandum of Understanding (MoU) between the Government of the Republic of Indonesia and the Free Aceh Movement (GAM) signed in Helsinki, Finland, on August 15, 2005. This MoU became a new starting point for the Acehese people in resolving the conflict peacefully, comprehensively, sustainably, and with dignity.(Maisarah & Hasan, 2019). Both parties are committed to creating conditions conducive to the realization of the Aceh Provincial Government through a democratic and fair process within the framework of the Unitary State of the Republic of Indonesia (NKRI). The resolution of this conflict is considered a win-win solution, where all parties gain benefits and satisfaction. The implementation of this win-win solution aims to maintain the unity and integrity of the nation within the framework of the NKRI, while also fulfilling the demands of the Acehese people to build an independent and special government through special autonomy, especially in the implementation of Islamic law. As a consequence of this commitment, the Indonesian government issued Law Number 44 of 1999 concerning the Implementation of the Special Status of Aceh Province, which was later strengthened by Law Number 11 of 2006 concerning the Government of Aceh. This law gives authority to the Aceh Province to develop and regulate the implementation of Islamic law, including in the field of Islamic finance.

As a follow-up, the Aceh Government issued Qanun Number 8 of 2014 concerning the Principles of Islamic Sharia, which regulates the implementation of Islamic Sharia in various dimensions of community life, including Islamic finance. This Qanun was then strengthened by Aceh Qanun Number 11 of 2018 concerning Islamic Financial Institutions (LKS), which was stipulated on December 31, 2018. This LKS aims to realize an Islamic Acehese economy, encourage economic growth, collect and provide funding support based on Islamic principles, and carry out social functions for the welfare of the community. The presence of LKS is considered a step forward in the implementation of Islamic Sharia in Aceh and has an important correlation with the political, economic, social, cultural, legal, and human rights interests of the Acehese people. Although the majority of the Acehese people are Muslim, Islamic finance is something new, both in the context of religion and culture and tradition. Therefore, the Acehese people need to go through a transition period to adapt this Islamic financial system, both theologically and culturally. Soerjono Soekanto in Satjipto Rahardjo emphasized that the acceleration of the implementation of new values, such as sharia finance, requires cooperation from various parties and a comprehensive legal approach. In this case, the theory of the function of law as social control and a means of social change (social engineering) is a convincing alternative to oversee the adaptation process.(Syamsuri et al., 2021).

Law as social control has the task of ensuring that society remains within accepted patterns of behavior, while as a means of social change, law can encourage or even engineer changes to be made in society.(Palsari, 2021). In the context of implementing Islamic finance in Aceh, the law is expected to function in two ways, namely as energy to encourage social change through the implementation of Islamic finance, as well as a

means of social control to ensure that such changes do not conflict with the basic rights of the community guaranteed by the 1945 Constitution. In addition to the legal approach, a sociological approach is also needed to understand the position and role of LKS in society, as well as the reciprocal relationship between these institutions and legislative and community activities.(Amin, 2017). This sociological approach is important because the management and service of Islamic finance are not only related to law, but also to the culture and traditions of society. Schuyt in Satjipto Rahardjo explains that legal sociology can be used to study the positive and negative effects of a law, as well as the objectives stated therein, which are often the result of political struggle.

Legislation is present as a means to create a certain condition in society or to control the situation. More broadly, legislation can be used to create real social change (social engineering), so it needs to be approached with various approaches, including law, politics, social, and religion. In the context of Aceh, Islamic Law, especially the concept of Maqâshidu al-Syâri`ah, is a necessary approach to see the transition of the legal culture of society towards the presence of Islamic finance.(Toriquddin, 2013). This is because Islamic finance was born from the aspect of Muamalat in Islamic Law, and the Acehnese people are known as a very religious society, with Islam as an integral part of their culture and traditions. This study will examine the transition of the legal culture of the Acehnese people towards the implementation of the Qanun on Islamic Finance with an analysis of Islamic Law. This study aims to analyze the legal theory of cultural transition as part of social engineering, and to relate it to the role of LKS as a forum that guarantees and facilitates the implementation of Islamic finance in Aceh. The objectives of establishing LKS, as stated in Article 5 of Aceh Qanun Number 11 of 2018, include realizing an Islamic Acehnese economy, encouraging economic growth, collecting and providing funding support based on sharia principles, and carrying out social functions for the benefit of the people.

LKS has a strategic position in making changes to the legal culture of Acehnese society, especially regarding the management and utilization of finances.(Maulana, 2022). This change is considered very substantive for the success of the implementation of Qanun in Aceh. However, the success of social change is influenced by three factors, namely the effectiveness of adaptation, the reaction of the community groups who feel disadvantaged, and the speed of adaptation. Therefore, it is important to pay attention to the arrangement of economic law based on the original culture of the Acehnese people, because the implementation of local culture-based law can be a new energy for strengthening the social capital needed to encourage social change. This study will also capture the movement and role of Islamic legal politics in the national legal order, as a measure of conducive state politics and economic law that sides with the people. Aceh is considered the only region that implements a single banking system and has the potential to become a center of Islamic finance in Indonesia. Therefore, this study will explore the response of the Acehnese people to LKS and significant changes in the legal culture of the community regarding the management and utilization of finance after the implementation of the Qanun on Islamic Bank and Non-Bank Financial Institutions.

2. Research Methods

This research uses an inductive approach in qualitative research methods with the type of empirical legal research or socio-legal research, which aims to analyze how law works in society.(Rukhmana et al., 2022). There are three main approaches in this study. First,

the sociological legal approach that examines the relationship between law and society, especially in the context of the implementation of the Qanun on Islamic Financial Institutions (LKS) in Aceh, and how the law develops and adapts to social change. Second, the political legal approach that highlights the Qanun LKS as a policy product aimed at carrying out social engineering, reflecting Aceh's political struggle in integrating sharia principles into its financial system, and its impact on changes in the legal culture of society. Third, the legal economic approach based on legal culture and justice, which examines the harmony between the national economic legal system and sharia principles in building an economic system based on morals and ethical business practices. This approach as a whole seeks to understand the interaction between law, policy, and the legal culture of society in the implementation of the Qanun LKS in Aceh.

3. Results and Discussion

3.1. Transition of Changes in Legal Culture of Acehnese Society After the Implementation of Qanun Number 11 of 2018 Concerning LKS

Change or transition in society is a natural phenomenon and is experienced by almost all humans.(Diana, 2018). This happens because humans have unlimited needs, thus encouraging changes in various aspects of life. These changes cover three main areas: equipment and supplies, livelihoods, and social systems. In the field of equipment and supplies, changes are seen in the way humans meet basic needs such as clothing, housing, household appliances, and transportation. For example, in ancient times, humans cooked by grilling food, while in the modern era, humans use ovens or preserved food. In the field of livelihoods, changes occur in economic systems such as agriculture, animal husbandry, and production systems. In the past, men worked by hunting, while women took care of the household. However, now women can also work in various fields that were previously dominated by men. In the field of social systems, changes occur in kinship systems, political organizations, laws, and marriage. For example, in the past, families who had blood ties tended to live together in one house, but now this is not always the case.

These changes are often referred to as social and cultural changes because both can occur simultaneously. However, social and cultural changes have differences. Social change can be interpreted as the transformation of culture and social institutions that occurs continuously and has positive or negative impacts. According to Max Iver, social change is a change in social relations or the balance of social relations. Gillin stated that social change is a variation in the accepted way of life due to changes in geographical conditions, material culture, population composition, ideology, or new discoveries. Kingsley Davis stated that social change is a change in the structure and function of society. Selo Sumardjan added that social change is a change in social institutions in a society. Thus, it can be concluded that social change is related to changes in social structure and function, and is closely related to cultural change. Meanwhile, cultural change or cultural transition can be understood as a change in the situation in society due to the incompatibility of cultural elements, as expressed by Max Weber. W. Kornblum added that cultural change is a gradual change in the culture of society over a long period of time. Social and cultural change are closely related, where social change certainly influences cultural change. Cultural change encompasses all aspects of life, such as art, science, technology, and philosophy. It is not easy to separate social and cultural change because the two are interrelated. There is no society that does not have

a culture, and conversely, there is no culture that is not manifested in society. Both types of change have the same aspect, namely both are related to the acceptance of new ways or improvements in meeting the needs of society.(Rafiq, 2020).

Although closely related, social and cultural change also have differences. Social change focuses more on changes in social structures and relationships, such as the distribution of age groups, types of education, and population birth rates. Meanwhile, cultural change is more related to changes in the cultural aspects of society, such as the discovery and spread of new cultures, changes in moral values, new art forms, and gender equality. Sometimes, social and cultural change overlap, as in the case of gender equality which involves changes in cultural norms and the social roles of men and women. To overcome this overlap, the term "socio-cultural change" is often used to encompass both types of change. Socio-cultural change has several characteristics. First, no society stops developing because every society experiences change, either quickly or slowly. Second, changes that occur in social institutions will be followed by changes in other social institutions. Third, rapid changes usually cause temporary chaos as society tries to adjust to the changes. Fourth, change cannot be limited to the material or spiritual realm because the two are interrelated(Rafiq, 2020).

Based on the description above, social change in society can be divided into several forms. First, evolutionary and revolutionary change. Evolutionary change is social change that occurs slowly over a long period of time without any specific will from society. This change occurs because society tries to adapt to the needs of life and developments of the times, such as modernization that changes the transportation and banking systems. Meanwhile, revolutionary change is change that occurs quickly and is not planned in advance. This change is often preceded by tension or conflict in society, such as the industrial revolution in England which changed the production system from manual to using machines. Second, desired and undesired changes. Desired changes are changes planned by parties who want the change, such as the government issuing regulations to prohibit members of the council from serving as civil servants. Meanwhile, undesired changes are changes that occur outside the will and supervision of society, such as the tendency to shorten traditional wedding ceremonies that require large costs and a long time.

Third, small and large changes. Small changes are changes that occur in elements of social structure that do not have a direct impact on society, such as changes in clothing or hair styles. Large changes are changes that occur in elements of social structure that have a significant impact on society, such as the use of tractors in agriculture that changes the traditional agricultural production system. Socio-cultural changes do not occur by themselves, but are caused by various factors, such as new discoveries or the dysfunction of something old. Culture in society always experiences accumulation and accumulation, which causes culture to become more diverse and increase. This is generally caused by new discoveries in society. In the context of Aceh, the changes that occur in society are related to efforts to meet various life needs, both in economic values, attitudes, economic relations with other citizens, and in the tools used, including financial institutions. These changes reflect the dynamics of society in adapting to the development of the times and the needs of life that are constantly changing.

3.2. Public Acceptance of Bank Financial Institutions

Public acceptance of banking financial institutions, especially in Aceh, has undergone significant changes along with the enactment of Qanun Number 11 of 2018 concerning Sharia Financial Institutions (LKS). Before this Qanun came into effect, the banking system in Aceh followed national regulations stipulated in Law Number 7 of 1992 concerning Banking in conjunction with Law Number 10 of 1998 concerning Amendments, and Law Number 21 of 2008 concerning Sharia Banking. As part of the Unitary State of the Republic of Indonesia (NKRI), Aceh is subject to the entire legal system in force in Indonesia, including conventional and sharia banking regulations. Therefore, banks operating in Aceh before the LKS Qanun came into effect were banks that also operated in other regions in Indonesia, both conventional and sharia banks.(Hisnan et al., 2024).

The development of Islamic banking in Indonesia began in the 1980s, with the initiative of the Indonesian Ulema Council (MUI) which formed a working group to establish an Islamic bank. The result of this effort was the establishment of Bank Muamalat Indonesia (BMI) in 1991, which became the first Islamic bank in Indonesia. Since then, Islamic banking has begun to develop, supported by regulations such as Law Number 21 of 2008 concerning Islamic Banking. However, before the Qanun LKS came into effect, the people of Aceh were still more familiar with conventional banks, which had been operating for a long time and used an interest system.(Ghozali et al., 2019).

After the Qanun LKS was enacted on December 31, 2018, there was a significant change in the banking system in Aceh. This Qanun requires all financial institutions operating in Aceh to adjust to sharia principles within three years of its enactment. Article 2 of the Qanun LKS emphasizes that financial institutions in Aceh must be based on sharia principles, and the financial contracts used must also be in accordance with sharia. This has caused conventional banks operating in Aceh to have to open sharia units or convert their operations to sharia. Several sharia banks operating in Aceh after the Qanun LKS include PT Bank Syariah Indonesia, PT Bank Aceh Syariah, PT Bank Muamalat Indonesia, and several other sharia banks. In addition, there are also sharia business units from conventional banks such as PT Bank Tabungan Negara (Persero) Tbk and PT Bank Danamon Indonesia Tbk.

The acceptance of banks by the Acehnese people before the Qanun LKS tended to be dominated by conventional banks, which had been operating for a long time and used an interest system. The Acehnese people, like the Indonesian people in general, only started to become familiar with the Islamic banking system after 1998, when the government introduced a dual banking system that allowed Islamic banks to operate alongside conventional banks. However, the public's understanding of Islamic banking was still limited, and many were still unfamiliar with terms such as profit sharing or margin. After the Qanun LKS came into effect, the acceptance of Islamic banks by the Acehnese people began to increase. This Qanun is considered an important step in realizing a sharia economic system that is in accordance with Islamic teachings. The Acehnese people, who are predominantly Muslim, have high hopes for the Qanun LKS to present a fair, transparent, and usury-free muamalah system. However, there are still challenges in educating the public about the differences between conventional and Islamic banks, as well as in changing the habits of people who have long used conventional banking services.(Alidar, 2023).

Qanun LKS is also the result of a long political struggle by the Acehnese people who want the implementation of Islamic law in various aspects of life, including the economy and finance. The Helsinki Memorandum of Understanding in 2005 between the Indonesian Government and the Free Aceh Movement (GAM) became the starting point for Aceh to obtain special autonomy, including in the implementation of Islamic law. Qanun LKS then became a legal instrument that regulates Islamic financial institutions in Aceh, with the aim of creating an economic system that is in accordance with Islamic values. However, there are still several challenges in the implementation of Qanun LKS. Some people still think that Islamic and conventional banking do not have significant differences, especially in terms of costs and services. In addition, the change from a conventional system to Islamic requires time and intensive educational efforts for the community. Prof. Dr. Alyasa' Abubakar, MA, stated that the majority of Acehnese people are still ignorant of the differences between conventional and Islamic banks, so more massive educational efforts are needed (Fuadi, n.d.).

Overall, the Qanun LKS has brought about major changes in the banking system in Aceh, by encouraging all financial institutions to operate based on sharia principles. The public's acceptance of this change has been quite positive, although further efforts are still needed to increase public understanding and awareness of the importance of the sharia economic system. The Qanun LKS is not only an important milestone in the implementation of Islamic law in Aceh, but also an example of how Islamic values can be integrated into a modern economic system.

3.3. Regulation and Public Acceptance of Non-Bank Financial Institutions

Banking regulations in Indonesia are regulated in Law Number 7 of 1992 concerning Banking, which was later amended by Law Number 10 of 1998. In addition, Law Number 23 of 1999 concerning Bank Indonesia and Law Number 3 of 2004 concerning Bank Indonesia are also the legal basis for banking regulations. The latest regulation is Law Number 4 of 2023 concerning the Development and Strengthening of the Financial Sector, which has been in effect since January 12, 2023. Meanwhile, Islamic banking is regulated in Law Number 21 of 2008. Non-bank financial institutions (LKNB) or Non-Financial Institutions are business entities engaged in the financial sector by collecting funds from the public through the issuance of securities and distributing them to finance company investments (Afrianty et al., 2019). NBFIs are regulated by various laws according to their business fields, such as Law Number 2 of 1992 concerning Insurance Business, Law Number 11 of 1992 concerning Pension Funds, Law Number 8 of 1985 concerning Capital Markets, Law Number 40 of 2007 concerning Limited Liability Companies, and Law Number 19 of 2008 concerning State Sharia Securities. However, there are no specific regulations governing NBFIs with sharia principles, so their management still follows the conventional system.

The Acehnese and Indonesian people in general are familiar with the conventional financial system because this system has been running for a long time and there are no other alternatives. This causes the Acehnese people to use the conventional system on the grounds of emergency, in accordance with the fiqh argument "Addhorurotu Tubiihul Mahduurot" which means that harm can allow something that is prohibited (Abubakar & H Zulkarnain Lubis, 2019). For example, the management of the Civil Servant Cooperative (KPRI) KOPKAGA stated that it was initially difficult to direct members to switch from the conventional system to sharia because of the habit of receiving cash

from the cooperative. However, after the system changed to sharia, where loans were given in the form of goods, the community began to get used to it even though it was difficult at first. After Aceh enacted Qanun Number 11 of 2018 concerning Sharia Financial Institutions, the legal basis used by the community and non-bank financial service providers changed. This Qanun stipulates that financial institutions operating in Aceh must be based on sharia principles, and financial contracts must use sharia principles. Non-bank sharia financial institutions are regulated in Article 7 paragraph (1) letters b and c of the Qanun, which covers various types of institutions such as sharia insurance, sharia capital markets, sharia pension funds, sharia venture capital, sharia pawnshops, sharia financing cooperatives, sharia financing institutions, sharia factoring, sharia microfinance institutions, and sharia financial technology. In addition, the Qanun also regulates non-formal financial institutions and non-formal pawnshops.

Acehnese society's acceptance of non-bank Islamic financial institutions is in accordance with Qanun Number 11 of 2018. For example, the management of KPRI KOPKAGA stated that the desire to implement the sharia system actually existed before the Qanun LKS was born. However, the process of change took a long time, including changes to the articles of association and the administrative process. After going through a long process, the cooperative finally implemented the sharia system in 2020. In transactions, the cooperative uses various sharia contracts such as multijasa, murabahah, and wakalah (Fitria & Sriani, 2022). The main supporting factor is the desire of members and administrators to switch to a more halal system. Although there are some obstacles, such as refunds by members, the cooperative gave a one-month deadline and conducted socialization to related agencies. Supervision by the Sharia Supervisory Board is carried out every three months. This illustrates the development and challenges in implementing the sharia financial system in Aceh, especially in non-bank financial institutions. Despite the obstacles, the enthusiasm of the community to switch to the sharia system is quite high, which facilitates the transition process from the conventional system to sharia.

3.4. Response and Changes in the Legal Culture of the Acehnese Community regarding the Qanun on Sharia Financial Institutions of Banks and Non-Banks

Acehnese people's acceptance of Islamic banking and financial services has undergone significant changes, especially after the implementation of the Islamic Financial Institution (LKS) Qanun Number 11 of 2018. This Qanun regulates sharia principles in the operations of financial institutions, both banks and non-banks, in Aceh. These principles include justice (adalah), trust, brotherhood (ukhuwah), profit, transparency, independence, cooperation, convenience, openness, sustainability, and universality. These principles are in line with the theory of justice in Islam which emphasizes balance and fairness in fulfilling obligations and the ability to carry them out. In addition, the LKS Qanun is also in line with the theory of justice as fairness put forward by John Rawls, which states that justice is the result of fair agreement and bargaining (Faiz, 2009).

The implementation of Qanun LKS in Aceh was not only accepted by the Muslim community, but also by non-Muslims. This was proven through interviews with several respondents, such as Mr. John Cohen, a Christian photocopy and printing entrepreneur in Banda Aceh (Interview with Mr. John Cohen, 2023). He stated that he and his wife did not feel disadvantaged or disturbed when making transactions at Islamic banks. They considered that the most important thing was that their payments were received without any expensive return fees. A similar statement was also made by Adam, a Go-Car driver,

who stated that lower-class people, including in villages, had no problems with Islamic finance. In fact, non-Muslim people in Aceh, including ethnic Chinese, tend to accept and follow existing regulations without opposing them, because opposing them would hinder their efforts.(Interview with Mr. John Cohen, 2023).

However, there are still some people who continue to use conventional banking services, such as Mr. Ibnu, a Go-Car driver who still uses conventional BRI services, although he also takes services from Bank BTN Syariah or Bank Aceh if BSI (Bank Syariah Indonesia) experiences disruptions. According to him, around 75% of people have used Islamic banks, while 25% still use conventional banks. This shows that in one family, there can be different preferences in choosing banking services. The acceptance of the Acehnese people towards Islamic financial services is also supported by the statement of Prof. Ali Yasa, a professor and pioneer of the establishment of the Qanun LKS. He stated that there were no open complaints from the community, including non-Muslims, regarding the implementation of the Qanun LKS. For example, in Peunayong, near the market, there is a BPRS (Bank Pembiayaan Rakyat Syariah) which has 30% non-Muslim customers, and they feel comfortable with Islamic banking services(Azhar, 2023b).

In addition to banking, Acehnese people's acceptance of non-bank financial services operating based on sharia principles has also shown positive developments. Qanun LKS Number 11 of 2018 requires all non-bank financial institutions, such as leasing, insurance, pawnshops, BPJS, LKMS (Sharia Microfinance Institutions), pension funds, venture capital, and guarantees, to adjust their operations to sharia principles. This includes non-bank financial institutions supervised by the OJK (Financial Services Authority) and those that are not supervised, such as sharia cooperatives. According to an interview with Mr. Azhar, the manager of the sharia cooperative, they have tried to adjust their AD/ART (Articles of Association/Bylaws) to sharia principles. Data from the OJK shows an increase in assets and financing of sharia non-bank financial institutions in Aceh. From 2021 to March 2023, there was an increase in assets of 55.56% in 2021, 57.83% in December 2022, and 56.51% in March 2023. This positive trend shows that the Acehnese people have accepted and responded well to changes in legal culture related to new norms in the Qanun LKS. This increase also reflects that the implementation of the Qanun LKS has had a positive impact on Islamic microfinance institutions and the community in general.(Azhar, 2023a).

The analysis of the acceptance of the Acehnese people towards Islamic financial services is in line with the applied theory used in this study, namely the progressive legal theory. This theory emphasizes that the law is made for humans, not the other way around. Autonomous law should not be left to work alone according to the law's own methods, but must dare to move out of the conventional system towards a more progressive system, such as the sharia system. The purpose of progressive law is to seek the truth that never stops, based on ethics and morals. In this context, Islamic law plays an important role in providing complete legal solutions that care about weak groups, as well as seeking common good. The acceptance of the Acehnese people towards Islamic banking and financial services has undergone positive changes. Qanun LKS Number 11 of 2018 has succeeded in creating a fair, transparent, and sharia-compliant financial environment, which is accepted by both Muslim and non-Muslim communities. The positive development of assets and financing of Islamic financial institutions, both banks and non-banks, shows that the implementation of Qanun LKS has gone well and has had a positive impact on the Acehnese people.

3.5. Supporting and Inhibiting Factors of Change in Legal Culture of Acehese Society After the Implementation of Qanun 11 of 2018 Concerning Sharia Financial Institutions

The implementation of Qanun Number 11 of 2018 concerning Islamic Financial Institutions (LKS) in Aceh has brought about significant changes in the legal culture of society. These changes are reflected in various aspects of social, economic, and legal life that were previously not covered by sharia principles, but are now beginning to receive attention and are being applied more widely. This study aims to analyze the factors that support and inhibit changes in legal culture that occur due to the implementation of this LKS Qanun, using theories from Selo Soemardjan and Lawrence M. Friedman, which emphasize three important aspects in the legal system, namely legal substance, legal structure, and legal culture.(Yani, 2015). One of the factors supporting the successful implementation of Qanun LKS is strong legal and political support. This Qanun has a valid and strong legal basis, which comes from two important laws, namely Law Number 44 of 1999 concerning the Special Status of Aceh and Law Number 11 of 2006 concerning the Government of Aceh. Both laws provide space and basis for the implementation of sharia law in Aceh, including in financial matters. This Qanun LKS is also supported by a fatwa from the National Sharia Council (DSN) MUI and various national laws and regulations governing the sharia financial system, which strengthens the legitimacy and validity of its implementation in Aceh.

In addition, political factors also play an important role in the implementation of the Qanun LKS. The Aceh government and local legislature provide full support for this policy. This political decision facilitates the implementation process and accelerates the adoption of the sharia financial system in the region. This support is not only limited to laws and regulations, but also includes practical policies and facilitation provided by the government to sharia financial institutions in their operations. This strong political support shows how important the synergy between the legislative and executive branches is in supporting legal policies that have a broad impact on society. The cultural aspect of society is also a very strong supporting factor in the implementation of the Qanun LKS in Aceh. The majority of Acehese people who are Muslim, with a percentage reaching 98.65%, have made sharia principles an integral part of their lives. This creates a greater willingness to accept and apply sharia law in various fields, including in the economic and financial sectors. The desire of the community to avoid usury practices and the desire to carry out transactions in accordance with Islamic law are the main drivers for the acceptance of this Qanun LKS. In this case, HC Kelman's theory of legal compliance becomes relevant, because the new norms implemented are in accordance with the intrinsic values of Acehese society, making it easier for society to accept them.(Arif & Tasrif, 2023). The deep cultural influence on Acehese society is an important foundation for the success of the implementation of this Qanun LKS.

Furthermore, the readiness of facilities and infrastructure is also a factor that supports the implementation of Qanun LKS, although there are still some shortcomings. The Aceh Government together with Islamic financial institutions have made efforts to improve facilities and infrastructure that support the operations of Islamic financial institutions, such as the provision of Islamic banking facilities, ATMs, and other transaction services. However, there are still challenges in meeting the needs of the community for more modern and efficient services. Therefore, it is important to continue to provide socialization and education to the community so that they increasingly understand the

principles of sharia and utilize Islamic financial services optimally. In addition, the support of religious scholars and community leaders also plays a major role in socializing Qanun LKS to the community. Islamic scholars and community leaders in Aceh have played an active role in explaining the principles of sharia, including in terms of finance and banking. They help the community to understand and accept the Islamic banking system which was previously considered foreign, especially in terms of the use of modern banking technology such as ATMs and online transactions. With the guidance of religious scholars and community leaders, the community's understanding of Islamic banking has increased, thus accelerating the transition process towards a financial system that is more in accordance with Islamic values.

However, in addition to supporting factors, there are several inhibiting factors that also need to be considered in the implementation of Qanun LKS. One of the biggest challenges is the limited readiness of human resources (HR), especially among bank employees who previously worked in conventional banks. Many of them do not yet have an adequate understanding of sharia principles, so they have difficulty implementing the sharia system properly. This unpreparedness of HR is one of the obstacles that must be overcome immediately through more intensive training and education. Limited facilities and infrastructure are also one of the obstacles in the implementation of Qanun LKS. Although there have been efforts to improve supporting facilities, sharia banking services such as ATMs, international transactions, and other services still need to be improved. Inadequate infrastructure has caused some communities to have difficulty accessing sharia financial services, especially in more remote areas.

The relatively short implementation time is also a major challenge. The LKS Qanun was enacted only three years after it was enacted, which is considered too short for conventional banks to switch to the sharia system. This conversion process requires more time and preparation, especially in terms of changes to operational systems and employee training. Several technical obstacles, such as the service disruption experienced by Bank Syariah Indonesia (BSI), indicate that the transition from conventional banks to sharia banks requires a longer time to ensure smooth operations. In addition, there are still some people who reject the implementation of the LKS Qanun. The groups who reject this mostly feel disadvantaged by this policy, such as former conventional bank employees who lost their jobs after the banks switched to the sharia system. Several political figures in Aceh have also proposed that the LKS Qanun be revised so that conventional banks can resume operations in Aceh, which adds complexity to the implementation process.

Finally, technical constraints and ineffective socialization also hamper the implementation of Qanun LKS. System disruptions that occurred at Bank Syariah Indonesia and the lack of effective socialization to the general public about modern banking technology indicate that socialization must be carried out in a more practical and easy-to-understand manner. Several clerics and community leaders also still have difficulty understanding the use of banking technology, so more systematic socialization based on understanding technology is important to minimize these obstacles. Overall, the implementation of Qanun LKS in Aceh faces quite significant challenges, but with strong political, legal, and cultural support from the community, as well as continuous efforts to improve facilities and infrastructure, it is hoped that the Islamic financial system in Aceh can develop and function optimally.

3.6. The Influence of the Acehese Legal Culture Transition Process on the Performance of Islamic Financial Institutions

The process of transition of the legal culture of the Acehese people towards the performance of Islamic financial institutions (LKS) has shown a significant impact, both on a regional and national scale. This analysis is based on data on the performance of the financial services industry monitored by the Financial Services Authority (OJK) in the last three years since the enactment of the LKS Qanun on January 4, 2019. The performance of Islamic Commercial Banks in Aceh can be seen from several indicators, such as bank assets, Third Party Funds (DPK), financing, Non-Performing Loans (NPL), and Financing to Deposit Ratio (FDR). The assets of Islamic commercial banks in Aceh grew by 5.9% in 2023, while financing increased by 3.48%. Although there were fluctuations, especially after the merger of several Islamic banks, this development was considered quite good by the OJK, considering that the transition period which should have taken five years, but could be completed in a shorter time (Interview with Mr. John Cohen, 2023).

The performance of non-bank financial institutions also showed positive growth, especially in terms of channeling funds to customers. Customer needs for fast and easy financing processes are the main driving factors. However, sharia cooperatives have not been supervised by the OJK, so they still require further attention. The merger process of three state-owned sharia banks (BRI Syariah, BNI Syariah, and Bank Syariah Mandiri) into Bank Syariah Indonesia (BSI) in February 2021 became an important momentum in the development of LKS in Aceh. This merger not only strengthens the capital of sharia banks, but also opens up greater funding opportunities, especially to meet the needs of corporations in Aceh that require large capital (Azhar, 2023b).

The development of Islamic finance in Indonesia nationally also shows a positive trend. In 2020, Islamic financial assets grew 22.7% to IDR 1,801.40 trillion, showing good resilience during the Covid-19 pandemic. Indonesia even ranked second in the 2020 Islamic Finance Development Indicator (IFDI), up from fourth place the previous year. In 2021, Islamic financial assets grew again by 13.82% to IDR 2,050.44 trillion, and Indonesia maintained its second position in the 2021 IFDI. In 2022, Islamic financial assets reached IDR 2,375.84 trillion, with a growth of 15.78%. The Islamic capital market, Islamic banking, and the Islamic non-bank financial industry (IKNB) all showed significant growth. Indonesia also managed to maintain its third position in the 2022 IFDI, showing that Indonesian Islamic finance is increasingly being considered at the global level. The influence of the response and changes in the legal culture of the Acehese people on the performance of LKS can also be seen from the emergence of Bank Syariah Indonesia (BSI) as a result of the merger of three state-owned Islamic banks. This process occurred in a relatively short time, only two years after the enactment of the LKS Qanun. According to OJK officials, this merger was not only influenced by the LKS Qanun, but also by the needs of corporations in Aceh that require large capital. This merger is considered a strategic step to strengthen Islamic banking in Indonesia, especially in facing global challenges. (Interview with Mr. John Cohen, 2023).

The imperative impact of the transition of the legal culture of the Acehese people on the performance of LKS can be seen from several aspects. First, from the positive side, the birth of a single Islamic banking system in Aceh is an example for other provinces in Indonesia, such as NTB, Riau Islands, and Padang. This system is expected to become

part of a modern and sustainable Indonesian economic legal system. Second, from the negative side, failure in implementing the LKS Qanun can lead to a loss of public trust in Islamic law and Islamic financial institutions. Third, from the socio-political side, this transition shows the courage of the government and the DPR in accommodating the desire of the Acehnese people to implement a legal system that is in accordance with Islamic values. This is in line with the theory of social engineering law, where law is used as a tool to engineer society towards a system that is fairer and in accordance with the values adopted. Overall, the transition of the legal culture of the Acehnese people on the performance of LKS has had a significant impact, both economically, socially, and politically. The development of Islamic finance in Aceh and Indonesia in general shows that this system has good resilience, even during the pandemic. However, the challenge ahead is to ensure that this system can continue to grow and provide greater benefits to the community, not only in Aceh but also throughout Indonesia. Thus, Qanun LKS can be considered an effective initial step in creating a strong and sustainable sharia financial system.

4. Conclusion

Based on the discussion conducted in this study, it can be concluded that the implementation of Qanun Number 11 of 2018 concerning Islamic Financial Institutions (LKS) in Aceh shows a very good and positive response from the community. Changes in legal culture have occurred, with people increasingly shifting from conventional bank transactions to Islamic financial institutions. Support for the implementation of Qanun LKS can be seen from various factors, such as political support from the central and regional governments, the culture of the Acehnese people who are predominantly Muslim, and clear legal substance. The dominant factor supporting the implementation of Qanun LKS is political support from the government. However, there are still several inhibiting factors, such as the opposing attitude of some people who feel disadvantaged and the limitations of facilities and infrastructure and human resources who are not fully ready to implement the sharia system. The influence of the response and changes in legal culture on the performance of Qanun LKS is very significant. In a relatively short time, this new norm has succeeded in directing the community to abandon old norms and adapt to the Islamic financial system. This contributes to positive economic growth in Aceh, as well as the success of Qanun LKS in improving the welfare of the community. This new norm is also increasingly accepted as part of the Indonesian economic legal system, with the potential to become a reference for other regions with similar cultures. Overall, the implementation of the Qanun LKS can be said to be successful and has a positive impact on changing the legal culture in Aceh.

5. References

- Abubakar, A., & H Zulkarnain Lubis, M. H. (2019). *Hukum Jinayat Aceh*. Prenada Media.
- Afrianty, N., Isnaini, D., & Oktarina, A. (2019). *Lembaga Keuangan Syariah*. Zigie Utama.
- Alidar, E. M. K. (2023). *Peluang dan Tantangan Penerapan Qanun Nomor 11 Tahun 2018 tentang Lembaga Keuangan Syariah*. Dinas Syariat Islam Aceh.
- Amin, M. (2017). *Solusi hukum Islam (makharij fiqhiiyah) sebagai pendorong arus baru ekonomi syariah di Indonesia: kontribusi fatwa DSN-MUI dalam Peraturan Perundang-Undangan RI*.
- Arif, M., & Tasrif, T. (2023). Efektivitas Pemungutan Suara Ulang (PSU) Dalam Pemilihan Umum: Studi Di Provinsi Sulawesi Selatan. *Journal of Lex Philosophy (JLP)*, 4(2),

260–275.

- Azhar, K. (2023a). *Wawancara dengan Bapak Azhar*.
- Azhar, K. (2023b). *Wawancara dengan Bapak Ibnu*. wawancara dengan Bapak John Cohen, (2023).
- Diananda, A. (2018). Psikologi remaja dan permasalahannya. *ISTIGHNA: Jurnal Pendidikan Dan Pemikiran Islam*, 1(1), 116–133.
- Faiz, P. M. (2009). Teori Keadilan John Rawls (John Rawls' Theory of Justice). *Jurnal Konstitusi*, 6(1), 135–149.
- Fittria, A., & Sriani, E. (2022). Analisis Multi Objek pada Akad Pembiayaan Ijarah Multi Jasa di Bank Pembiayaan Rakyat Syariah. *Iqtisad: Reconstruction of Justice and Welfare for Indonesia*, 9(1), 103–118.
- Fuadi, T. M. (n.d.). MENINJAU KEMBALI HUBUNGAN PTS DENGAN PEMERINTAH KABUPATEN DI ACEH. *MEMBINCANGKAN DAMAI ACEH*, 123.
- Ghozali, M., Azmi, M. U., & Nugroho, W. (2019). Perkembangan Bank Syariah Di Asia Tenggara: Sebuah Kajian Historis. *Falah: Jurnal Ekonomi Syariah*, 4(1), 44–55.
- Hisan, K., Melayu, H. A., & Siregar, R. E. A.-A. (2024). Factor Analysis Of Non-Muslim Customers In Saving At Sharia Bank Of Indonesia Banda Aceh Branch. *Dusturiyah: Jurnal Hukum Islam, Perundang-Undangan Dan Pranata Sosial*, 14(2), 178–196.
- Maisarah, C., & Hasan, E. (2019). TRANSFORMASI PERJUANGAN POLITIK GERAKAN ACEH MERDEKA (Suatu Penelitian Terhadap Arah dan Strategi Perjuangan Politik GAM Pasca 13 Tahun Perjanjian MoU Helsinki). *Jurnal Ilmiah Mahasiswa Fakultas Ilmu Sosial & Ilmu Politik*, 4(2).
- Maulana, M. (2022). *Peluang dan Tantangan Penerapan Qanun Nomor 11 Tahun 2018 tentang Lembaga Keuangan Sya*. Dinas Syariat Islam Aceh.
- Palsari, C. (2021). Kajian Pengantar Ilmu Hukum: Tujuan Dan Fungsi Ilmu Hukum Sebagai Dasar Fundamental Dalam Penjatuhan Putusan Pengadilan. *Jurnal Komunitas Yustisia*, 4(3), 940–950.
- Panjaitan, B. S., & Harahap, A. M. (2023). Protection of the Victim's Heirs in Cases of Intentional Homicide Under Islamic Law and its Relationship to Restorative Justice: 10.2478/bjlp-2023-0000043. *Baltic Journal of Law & Politics*, 16(2), 592–601.
- Rafiq, A. (2020). Dampak media sosial terhadap perubahan sosial suatu masyarakat. *Global Komunika: Jurnal Ilmu Sosial Dan Ilmu Politik*, 3(1), 18–29.
- Rukhmana, T., Darwis, D., IP, S., Alatas, A. R., SE, M. M., Tarigan, W. J., Mufidah, Z. R., Muhamad Arifin, M. H. I., Cahyadi, N., & S ST, M. M. (2022). *Metode Penelitian Kualitatif*. CV Rey Media Grafika.
- Syamsuri, S., Fadillah, N. H., Kusuma, A. R., & Jamal, J. (2021). Analisis qanun (lembaga keuangan syariah) dalam penerapan ekonomi Islam melalui perbankan syariah di Aceh. *Jurnal Ilmiah Ekonomi Islam*, 7(3), 1705–1716.
- Toriquddin, M. (2013). Teori Maqashid Syari'ah Perspektif Ibnu Ashur. *ULUL ALBAB Jurnal Studi Islam*, 14(2), 184–212.
- Yani, M. A. (2015). Pengendalian Sosial Kejahatan (Suatu Tinjauan Terhadap Masalah Penghukuman Dalam Perspektif Sosiologi). *Jurnal Cita Hukum*, 3(1), 95338.