

## Analysis Comparison Sharia Economy System in Indonesia and Malaysia

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**Abstract:** *The discussion in this journal covers the comparison of sharia economic systems found in Indonesia and Malaysia. The sharia economic system is a system that in its operations it is based on Islamic principles, which include the prohibition of usury (interest) and compliance with Islamic law. This study aims to identify differences and similarities in the implementation of the sharia economic system in the two countries, especially in the banking sphere. This study uses a comparative analysis method between policies and the sharia economic system in Indonesia and Malaysia. The results of this study show that although these two countries uses the same sharia economic system, but there are still differences in regulations And in financial institutions existing sharia on two that country.*

**Keywords:** *System Economy Sharia, Regulations, Instruments, Institution Banking Sharia.*

### 1. Introduction

The sharia economic system has become subject Which the more interesting and relevant in the discussion economy global mature This. In context regional Asia Southeast, Indonesia and Malaysia are two country Which hold role important in developing and implementing a sharia economic system. Second country This own history And culture Islam Which strong, And both of them has endeavor For integrate principles economy sharia in policy economy they.

Although both follow principles Islam, there are

significant differences in approach and development system economy sharia in Indonesia And Malaysia.

Economy sharia is system economy Which based on on principles sharia, that is law Islam Which sourced from Al-Qur'an, Sunnah, Ijma', and Qiyas. Sharia economics has distinctive characteristics, such as prohibitions usury (interest), gharar (uncertainty), maysir (speculation), And zulm (injustice), as well as prioritize justice, well-being, And benefit of the people. Sharia economics Also covers various aspect life, like banking, market capital, insurance, zakat, insurance, zakat, waqf, And etc.

Indonesia, as a country with the largest Muslim population in the world, has great potential in development system economy sharia. History of sharia economics in Indonesia can be explored from colonial times, but a serious effort for developing economy sharia started in the beginning of the 21st century.

The authority committed to create an environment which supports development in the sector. This, with the introduction of regulations and laws which arrange industry banking sharia, market capital sharia, and insurance sharia.

Indonesia has too many institutions for supporting development in economy sharia, including the Majelis Ulama Indonesia (MUI) which issues fatwas about halal financial products sharia. Although development in sharia economics in Indonesia has not yet reached its peak, the country is still trying to integrate sharia principles into its economic system.

Malaysia, with a longer history of sharia economics, has reached success which is greater in the development system economy sharia. Efforts for developing economy sharia in Malaysia started in the 1980s, when the country established Bank Islam Malaysia Berhad (BIMB) as the first bank which fully adheres to the principles of sharia economics.

Malaysia has succeeded in developing infrastructure and strong sharia

economy, including regulations which are comprehensive and various supporting institutions in the growth sector. This, for example, the Securities Commission in Malaysia established Bursa Malaysia (Now Exchange Malaysia Sharia) for arranging market capital sharia. The Bank Negara Malaysia arranged banking sharia and insurance sharia.

Malaysia's own regulations are more mature in managing economy sharia compared to Indonesia. Regulations which are strict and clear provide certainty in law for the perpetrator in economy sharia in Malaysia, while Indonesia still faces challenges in creating a framework of regulations which are consistent. Good regulations in Indonesia and Malaysia in the banking sharia sector are strong. However, Malaysia has proceeded further in this matter. This, with banks sharia which have operated since a number of decades ago. Then, in addition, Indonesia has a large number of Islamic banks operating, and the sector continues to grow.

Malaysia's own industry in insurance sharia has developed more than Indonesia, with various sharia insurance companies which offer diverse products. In Indonesia, insurance sharia is still developing and has its own significant growth. As well as Malaysia, which also has a capital market sharia which is strong and active, whereas Indonesia recently began to develop capital markets in sharia. Although so, Indonesia has shown positive growth in terms of This, with enhancement

amount company Which recorded shares the sharia in Exchange Effect Indonesia.

## 2. Sharia Economic System in Indonesia

System Economy Sharia in Indonesia based on principle-principle Islam like justice, togetherness, And blessing. System This aim For create well-being for all over public, Good from facet economy nor social. A number of the main strategies proposed in Master plan Economy Sharia Indonesia is increase quality MSMEs halal, reduce starve with halal products as wellhealthy, and creating well-being Which based halal And thoyyib However Also *profit oriented* And *social oriented* Which can reach more public.

In system economy Sharia, there are principles and rule base transaction Which must obeyed. Some of these principles between other payment And giving goods from sell buy must be based on agreement second split party, the principle of cooperation profitable, guarding trust in transaction, free from usury, done with ways Which Correct, transaction carried out on halal objects, andNo cheating or cheat.

For support industry halal And reach objective SDGs, a number of program has done in Indonesia, like Movement Going to Certification Halal (GEMESH) Which help MSMEs food in increase awareness will importance rule halal as well as help process

certification halal the product. Additionally, as an example on Bank DKI Sharia Branch Depok Also has carry out sharia micro IB financing system with the murabahah contract system and Ijarah Muntaiya Bit Tamlik (IMBT) effective in empowering MSE based sharia.

Regulations And supervision in system economy sharia in Indonesia arranged by a number of laws, such as UURI No. 7 Year 1992 For Bank And UURI No. 10 Year 1998 UURI Act No. 21

Year 2008 For Bank General Sharia. The precautionary principle is belief that banks should strongly be careful in doing business Which Good with collection, especially in channel fund to public general. Objective of this precautionary principle is For ensure that bank always operate in circumstances healthy and comply with bank regulations And norm law Which become sharia banking legal system in Indonesia.

Banking sharia own role Which very important in economy Indonesia. Bank sharia is bank Which walk adhere to sharia Islam and has also been recognized by the Ulema Council Indonesia (MUI) as institution finance Which based Islam. <sup>10</sup> Banksharia own role For promote the practice of profit sharing or *mudharabah* And avoid practice usury (flower). Bank sharia Also works as institution finance Which collect And channel fund community and expedite transactions trading.

In development, bank sharia in

Indonesia the more growing rapidly over time, especially after a merger, creating a bank Sharia is getting stronger in competition market. PT Bank Muamalat Indonesia (BMI) in 1992 marked the beginning from story growth banking sharia in Indonesia. Although thereby, development bank sharia Not yet Can like bank conventional Which Already proceed And Also Lots interested by all circlespublic.

Role bank sharia in economy Indonesia especially seen in increase business for micro entrepreneurs. Sharia banks have opportunity For grow the economy of a region, such ascan be seen from the improvement in customer business post financing in Bank BSI (BTPN

Sharia) KCP Surakarta. Besides That, Islamic banks can also allocate funds from third party funds in the sector economy And give financing for business small And intermediate (SME).

In frame increase condition economy Indonesia on post-pandemic period, sharia banking also has great potential for development more fast in Indonesia. Banking sharia have role Which very important in push sector growth economy in Indonesia. With ratified Constitution No. 21 of 2008 concerning Banking Sharia, investors are more confident For embed the capital in banking sharia so that add current investment in Indonesia.

Institutional on banking sharia very different with institutional on banking

conventional. Banking sharia, bank consists from three form that is bank sharia, sharia people's credit bank (BPR), And units business sharia. However beside That there is Also a number of institution supervisor among them ie Board Supervisor Sharia (DPS), Board Sharia National (DSN), Body Arbitrage Sharia National, Bank Indonesia, And Authority Financial Services.

In side position Bank Sharia at Indonesia which based on Law No. 10 of 1998, in the form of a Bank General Sharia ( *fledged Islamic bank* ), Sharia Business Unit ( *full Islamic branch banks* ), And Bank Crediting Sharia or SRB. System operational banking based on true sharia principles has arranged by Constitution. And bank sharia in Indonesia Can transactions in the form of buying and selling, sharing proceeds, deposits, rent, loans, and on principles other which is allowed according to law sharia'. So matter the Can said as guarantee on legal certainty for stakeholders or holder interest Which where matter This will give you strong confidence to audience general in use product And service in bank sharia, However after That onFinally has confirmed also Law Invite about Banking Sharia ie on the Act No.21 of 2008.

Meanwhile, the position of the Council Sharia as holder or institution who has authority and have sharia authority highest in Indonesia is on Board Sharia National (DSN) And Assembly Cleric' Indonesia (MUI). Which is both is A institution Independent in issuing the

fatwa relationship with all problem sharia in religion Islam. Good matter That related to human relations with man other or muamalah or issues regarding worship, finance, economics and banking.

### **Instrument Finance Sharia**

According to Prasetyo Instrument Finance is an agreement or contract certain Which where condition And the condition will determine the risks and benefits certain. <sup>18</sup> So from That can concluded that financial instruments sharia is an agreement or contract Which used in economy Islam Which in accordance with principles sharia or law Islam. Objective main from This instrument is ensuring that economic and financial activities accordingly with teachings religion Islam. Following is a number of example instrument economy Sharia:

#### 1. Zakat

Zakat in a way Language own meaning holy, blessing, grow And commendable. However in a way Sharia zakat interpreted as A draft distribution riches Which determined by Allah SWT. To the poor or poor to categorized people worthy For accept it. And according to Herianingrum, application zakat very have a positive impact on savings group poor And in a way the prediction will Can increase savings national.

#### 2. Sukuk

Sukuk is instrument finance sharia Which based non-usury And can published by countries and companies. Sukuk consist of several types, in accordance with contract Which used, one of which is Ijarah

sukuk. Own ijarah sukuk is letter valuable Which use contract financing based on sharia principles published by company or government.

#### 3. Mutual funds Sharia

Sharia mutual funds are mutual funds Which operational And its policy uphold tall values law Islam or Sharia. For example, in mutual funds This No invest on product investment Which product operations contradictory with teachings Islam.

#### 4. Mudharabah

Mudharabah is sharia financial instruments based on the principle of profit sharing. Mudharabah is cooperation between two party, that is owner capital And manager capital. Owner capital provide capital, whereas manager capital provides expertise and labor.

#### 5. Murabaha

Murabaha is sharia financial instruments based on principle sell buy. Murabaha is transaction sell buy between seller And buyer with price Which has agreed previously. <sup>23</sup>

#### 6. Waqf

Waqf is instrument finance sharia Which based on principle alms. Waqf is donation treasure Which given by somebody For interest general, like development mosque, school, and hospitals. <sup>24</sup>

In sharia banking in Indonesia, activity its operations use the majority of contracts cleric' agreed And in accordance with provision Sharia For applied in product or instrument finance sharia For offered to para customers. By That contract- contract the can classified as following: First, Funding: Wadiah; Mudharabah, Second, Financing: Murabaha;

Mudharabah; Musharaka;  
Mudharabah wal Murabaha;  
Regards; Istishna; Ijarah Muntahiy  
Bittamlik (IMBT); Qardh; Rahn;  
Hawalah, Third, Banking Services:  
Ujr; Sarf; Kafalah; Wakalah;  
Mudharabah Muqayyadah, Fourth,  
Instrument Finance Sharia: Wadiah;  
Mudharabah.

### **Development And Challenge**

#### **1. Period Beginning (Constitution No. 7 of 1992)**

In this period the Law Invite  
No. 7 Year 1992 about banking  
which is inside the articles regulate  
about banking Islam, so matter

This provides an initial signal  
for development banking Islam in  
Indonesia. But it's not that's all, but  
rather on regulations This also  
regulates the Principles For Results  
or Bank Which based on principles  
sharia. For example in article 13  
letter c Act No.7 Year 1992 said that  
Commercial Bank dan Bank Credit  
People can operate activity business  
with give financing products for  
customers Which based on on  
principle profit sharing and this is a  
must in accordance on decision in  
Regulation Government No. 72 Year  
1992 about Bank Based on the Profit  
Sharing Principle. And as a result on  
year 1998 appear lah First time One  
bank sharia in Indonesia Which his  
name Bank Muamalat Indonesia  
(BMI) as well as Also added its  
founding 76 Bank Crediting People  
Sharia (BPRS). However in facet  
challenge or the obstacle on period  
period This is Because government  
Not yet have flavor commitment  
And direction policy Which clear  
Which caused on development Sharia  
banks in Indonesia Which is still

quite weak and only focused on  
systemdual banking.

#### **2. Period of Law no. 10 1998**

On mass This Act No. 10 Year  
1998 as one policies in the economic  
field Which issued by governmentas A  
form business in dealing with the  
economic crisis in Indonesia. In the  
regulations This government give  
roomwide to the bank for more freely  
and also this so that you can utilized  
as opportunity to develop the system  
Islamic banking. It's like content  
contained in eachthe articles are about  
banking Islam, that Act This arrange  
about Financing Which based on  
principle Sharia can done by various  
bank, for example Bank General And  
BankCredit People.

On year 1999 government  
committed in banking development  
sharia, that is government emit policy  
new on Act No. 23 Year 1999 about  
Bank Indonesia, Which stated that in  
orderto achieve and maintain stability  
mark rupiah, Bank Indonesia have  
three pillar principal wrong the only  
one is in article 8, namely regulating  
as well supervise bank, including  
among them Bank General And Bank  
Crediting People Sharia (BPRS).  
Meanwhile onchapter 10 even thereby  
that is in set And implementing  
monetary policy, Bank Indonesia can  
do it monetary control based on  
principles Sharia. But at the  
end of the year 2003, Assembly Cleric  
Indonesia (MUI) issued a fatwa about  
flower bank, that is that bank interest  
is usury and the law is haram.

Thatthing resulting in a lot  
public Muslim Which literate to fatwa  
the Finally immediately transfer the  
funds which was originally at the  
bank conventional to the bank Sharia.

The impact even until on year 2004 ie Keep going did it refinements Which where matter This Bank Indonesia do A study And research to banking regulations sharia, especially on product contract, guarantor institution deposits, and levels health.

### 3. Act Period No. 21 of 2008

In period period This, government has validate Constitution No. 21 Year 2008 concerning Sharia Banking. Because on Constitution previously Not yet in a way Specific accommodate characteristics banking operational system sharia. But on the other hand it happened quite rapid development And significant to growth And volume business in Islamic banks. So therefore on Act This arrange more special about banking sharia, for example Good from system institutional And Also activity units his business. In system institutional Act Banking sharia arrange about problem obedience sharia ( *Shariah compliance* ) which in terms of This his authority held by Indonesian Ulema Council (MUI) Which presented past Sharia Supervisory Board (DPS) must also be formed on each Sharia Commercial Bank (BUS) and Sharia Business Unit (UUS). As well as also in this law arranged chapter system manage, principle be careful careful, And management risk banking sharia.

Bank Indonesia Regulations (POJK) emphasized that on Sharia banking products only may promote at any time bank the has get fatwa from institution DSN-MUI and have also obtained permission from Authority Service Finance (OJK). The

role of DSN-MUI is not only That just but his role here as aspect strengthening And supervision principles sharia on all over banking sharia in Indonesia. On the other hand, DSN-MUI also plays a role in adjustment law Islam For banking sharia through groups fatwa in field economy sharia.

### 3. Sharia Economic System in Malaysia

Condition country Malaysia Which Islamic religion also developed, where The Muslim population is 58 percent. Very possible For Malaysian government too develop something system regulations Which adhere to or oriented on sharia Islam. Matter the Also on Finally make grow And development Wrong One instrument important in country the Which based on on sharia Islam. Instrument important the Which on Finally in Century Now experience development in a way fast is system banking Which based sharia.

Islamic banking or banking which is based on sharia rules is now in country Which nicknamed as Country Neighbor it has experienced significant development very rapidly since the 1960s. On beginning its emergence is on year 1963 in the form of a Hajj savings institution Which formed by government Malaysia at the time. The institution was formed by the government with the aim of: a place for people to do it investment in the form of savings with the system free interest for they Which own desire to perform the Hajj pilgrimage. Institution savings Hajj that use scheme or contract form *modharabah*, *deliberation* And *ijarah* in carrying out

investment practices and supervised directly by the Fatwa Committee National Malaysia ( *Natonal Fatwa Committee of Malaysia*). <sup>31</sup> In the 80s For First time government Malaysia promote banking Sharia which has a mission to more make it easier or give services to the Islamic community its coverage more general from institution savings Hajj.

On year 1980 become beginning pioneering the formation of sharia banks in Malaysia. On year the public Malaysia urge government For establish bank sharia. So that on A seminar in Wrong One university Which there is in Malaysia on stand 1981, participant seminar the request on government For form law invite Which possible For formation bank Which based on on principle Islam. With exists request the, so government form A stering committee national to organize the formation Bank Sharia. Committee the recommend some things as base formation Bank Sharia, that recommendation \_presented to the government on date 5 July 1982 the is: (a) The government must establish a bank Islam Which based on on principle- principle syria; (b) bank Islam Which submitted the based on Constitution Corporation year 1965: (c) Constitution Banking year 1973 No can accommodate operational bank sharia. By because the, Act Banking Sharia urge so that issued For made umbrella law bank Islam. Making Act new the become authority Bank National Malaysia (BNM); (d) bank Islam must form the Sharia Council itself as supervisor in

ensure its operation in accordance with sharia principles.

Banking syria in Malaysia own A objective For create system finance along with comprehensive sharia banking and its operation equivalent with banking conventional. Malaysia in create objective his mentioned use that strategy comprehensive, gradual and pragmatic. Strategy the they start with create environment Which support ( *Enabling Environment* ), these steps they use to prepare infrastructure finance, including Also they prepare framework law ( *Legal framework* ) which will later become a legal umbrella for banking sharia. After Malaysia finish step his first then, they proceed to stage next with raise volume as well as creating markets for institutions sharia repair so that you can also get it follow compete. After step- step the implemented, so Now them achieve it step last in strategy For reach objective his the. Malaysia create harmonization And convergence with market confused sharia at international level. That matter done so that banking sharia or institution finances sharia in Malaysia Also can compete in kanca international.

After We own A little overview of the financial system in Malaysia, so discussion We next is about product-product banking sharia in Malaysia. In Malaysia country banking products and services Sharia has many variations, with contract which too varies. Product And service the covers funding, breeding, trade breeding, *card service* (service card), instruments market Money, service banking, And *treasury*. By line big, institutional banking in Malaysia almost The same with Which found in Indonesia, can



We know as following: a. Bank Islam Which stand Alone; b. Window banking Islam in bank conventional; c. Child company banking sharia from bankconventional. As for bank sharia in Malaysia Can We know through tableunder this:

No.	Name of Islamic Bank	Ownership
1.	Affin Islamic Bank	L
2.	Al Raji Banking & Investment Corporation (Malaysia) limited	F
3.	Alliance Islam Bank limited	L
4.	AmBank Islamic limited	L
5.	Bank Islam Malaysialimited	L
6.	Muamalat Bank Malaysia limited	L
7.	CIMB Islam Bank limited	L
8.	HSBC Trust Malaysia limited	F
9.	Hong Lion Islam Limited Bank	L
10.	Kuwait Finance House (Malaysia) limited	F
11.	MBSB Bank limited	L
12.	Maybank Islami climited	L
13.	Public Islam Bank limited	L
14.	OCBC Al-Amin Banklimited	F
15.	RHB Islamic Bank Berhad	L
16.	Standard Chartere dSaadiq Berhad	L

Note: F= Bank Foreign L= Bank Local

### Sharia banking regulations in Malaysia

By operational banking sharia in Malaysia, is at under shade Bank Central. BNM ( *Bank National*

*Malaysia* ) Which is Bank Central in Malaysia, own power full in arrange banking Which nature conventional And sharia. BNM Which apply *Dual Bank System* , possible For creating a two-system condition finance Which different in a way principle And the settings is at in One environment and walk side by side. Apart from having full power to arrange, BNM Also own power full time to supervise the operations of banking sharia. Policy Which owned by BNM based on at the Central Bank Act 1958.

On practice *Dual Bank Systems* require make separation in fund And activity transaction atara banking sharia And banking conventional. Policy the made so that No exists mixing fund from second system banking the. On year 1999, BNM introduce A draft Which given Name *slamic banking subsidiary* . Draft Which known by BNM the form a given policy to institution finance Which using concept Islamic Windows For change as well as form bank general sharia ( *full-fledged IslamicBanks* ).

On year 2004, government Malaysia make A policy form liberalization finance with give permission For make or establish bank raising sharia Malaysia. Policy Which given government Malaysia pass BNM which is in the form of a BUS license, on In the end, we made around 11 BUS start operate around end year 2006 and early 2007. Eleven BUS that already operate the said among them: AmIslamic Bank Berhad, Affin Islamic Bank Limited, Al-Rajhi Banking and Investment Corporation (Malaysia) Berhad, EONCAP Islamic Bank Berhad, Asian Financial Bank (M) Berhad, Bank Islam Malaysia Berhad,

Bank Muamalat Malaysia Limited, Hong Lion Islam Banking Limited, CIMB Islam Bank Berhad, RHB Islamic Bank Berhad and Kuwait Finance House (Malaysia) Limited.

Operational banking sharia in Malaysia there are two legal basis, namely Islamic Banking Act (IBA) 1983 and also banking and finance institution (BAFIA) 1989. Whereas For board supervisor banking sharia Malaysia own two board supervisor, that is Comte Sharia (SC) And Board Advisor Sharia (SAC). About scheme policy Which owned by IBA And BAFIA can understood as follows:

A. *Islamic Banking Act (IBA) 1983*

IBA special For arrange so that teachings Islam can applied on business banking. On basically IBA provide licence And regulations regarding management as well operation business in banking Islam. Besides task base Which has mentioned the, IBA Also have authority For provide condition finance and duties of Islamic banks, ownership And control to bank sharia. *The Islamic Banking Act* also has authority For give restrictions business as well as strength supervision.

B. Banking And finance institution (BAFIA) 1989

If IBA has basic tasks For ensure teachings Islam applied in the banking sphere sharia. BAFIA is actually the basis juridical in arrange banking conventional, as well as Which Also operate business banking Sharia along with business interest based. Amended it

BAFIA forms the basis for the institution finance For apply business banking sharia in condition certain.

**4. Comparison System Economy Sharia in Indonesia And Malaysia**

System economy sharia in Indonesia And Malaysia own some similarities in terms of regulations, institution supervision, And Instrument Finance. In regulations And supervision these two countries have similarities in policies and regulations arrange institution finance sharia, for example in Indonesia, the highest authority in matter law sharia in Indonesia held by the National Sharia Council And Assembly Cleric Indonesia (DSN- MUI). DSN-MUI is A body independent who has authority For emit fatwa Which relating to various aspects of sharia in Islam, including matters of worship, muamalah, as well as issues economy, finance, and banking.

DSN-MUI, in context economy And banking sharia, has a similar role to National Sharia Advisory Council (NSAC) in Malaysia. NSAC is the only one an authority body that provides advice to institutions Which sheltered by him, like for example Bank Indonesia, Department Finance, And Bapepam, related operation banking sharia and sharia financial institutions other. Besides That, they coordinating sharia issues related to finance and banking sharia, as well as analyze And evaluate aspects sharia from products or scheme new Which submitted by institutions finance sharia.

Existence DSN-MUI in outside structure bank central give independence Which tall to authority

fatwa This. Matter This make DSN-MUI is more credible and respected in a way national in emit decision And fatwa related problem- problem sharia Which faced by institutions banking And finance sharia.

Indonesia and Malaysia have similarity in instrument finance Their Islam, because of both countries This has developed a financial system the sharia. However, There is Also a number of difference in type instrument And level its development.

Similarity in Instrument Finance Islam:

- 1) Sukuk  
Good Indonesia nor Malaysia has issued sukuk, which is bond Islam. Sukuk represent ownership on assets Which underlying it And make a profit based on performance asset the. They arranged in accordance with principles Islam, like prohibition flower (usury).
- 2) Mudharabah  
Mudarabah is a partnership profit sharing, where one party providing capital (rab al-mal) and other parties provide expertise and management (mudharib). This instrument used in both countries for objective investment And financing.
- 3) Ijarah  
Ijarah is contract rent- rent, in where party Which rent out (mu'ajjir) renting assets to parties who hires (mustajir) for period time And payment agreed rent. Instrument This used in second country For objective financing.
- 4) Is it Musharakah?  
Musharakah is contract

partnership, in where two or more parties contribute capital to in business ventures and sharing profit And loss. Instrument This used in secondcountry For objective investment And financing.

- 5) Wadiah  
Wow is contract custody, in where One party (depositor) entrusted with the party's property or funds other (owner) For objective custody. Instrument This used in both countries for objective deposit And investment.

Difference in Instrument Finance Islam:

- 1) Certificate Investment Government ( *Government Investment Certificate* )  
In Malaysia, Bank Money Market Islam was introduced in 1993, and one of the instruments Which used by banks Islam For management liquidity is Certificate Government Investment. Instrument This published in market primary, enabling Islamic banks interact with Bank Country Malaysia.
- 2) Bai' Al-Inah And Bai' Al-Dayn  
In Malaysia, use Bai' Al-Inah (sell buy return) And Bai' Al-Dayn (trade debt) in products and Islamic financial instruments allowed, while in Indonesia, instruments this is not widely used because of internal differences interpretation law Islam.
- 3) Level Development ( *Levels of Development* )  
Malaysia own system finance Islam Which more ripe compared to with Indonesia,

with level penetration Which more tall in market finance. Malaysia considered as Wrong One center main finance Islam in a way globally, with institutions finance Islam Which strong And diverse product finance Islam. In side other, Indonesia Still in process development system finance Islam And increase penetration product finance Islam in the market.

## 5. Conclusion

System banking sharia Which used by country Indonesia nor Malaysia No Lots own difference. Between banking sharia between two Country the You're welcome own a special supervisory board that does not only own authority For arrange as well as make virtue, but also has authority For supervise operational from institution finance Which based repair sharia. Indonesia Which its supervisory board is known as DSN And MUI, whereas Malaysia The supervisory board is known as committee sharia (SC) And Board Advisor Sharia (SAC).

In matter institutional banking sharia Which There is in Indonesia And Malaysia Also own similarity. In Indonesia And Malaysia institutional sharia inside it Also You're welcome own institution banking sharia Which stand Alone And Also institution banking sharia Which is from a conventional bank. Matter Which Also noticed

similarities between the two countries is between Indonesia nor Malaysia Also open road for established foreign sharia bank bank or office in Indonesia nor in Malaysia.

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