

Procedural Efficiency vs Legal Certainty in Islamic Finance Disputes: A *Maṣlaḥah* and *Saddu Al-Ẓarī'ah* Analysis

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Abstract: The resolution of Islamic economic disputes involving land collateral without mortgage titles reveals a persistent tension between procedural efficiency and the certainty of creditor protection. This study examines patterns in Indonesian Religious Court rulings through a case study of Sumenep No. 1/Pdt.G.S/2020/PA.Smp, combining a normative analysis of statutory and judicial regulations with an empirical reading of the court decision. The findings indicate a strong pro-efficiency orientation: simplified claims are accepted, contract validity is upheld based on Article 1320 of the Civil Code, and access to justice for small-value disputes is expanded. However, this also weakens the creditor's legal position, as non-mortgage collateral does not provide executorial title or preferential rights. The mapping confirms a regulatory gap concerning non-mortgage collateral in Islamic economic transactions and inconsistent judicial reasoning across cases. The *maṣlaḥah mursalah* framework evaluates the benefits of procedural acceleration as legitimate only when it does not erode execution certainty, while *saddu al-ẓarī'ah* emphasizes closing potential harm channels, such as opportunistic debtor behavior and increased financing costs. Policy recommendations include harmonizing the Mortgage Law, the Indonesian Religious Courts Law, and simplified claim procedures; drafting national technical guidelines for judges on verifying non-mortgage collateral and formulating enforceable judgments; and strengthening Shariah governance to ensure uniform standards of evidence, oversight, and transparency. This synergy aims to reconcile the principle of simple, fast, and low-cost justice with transaction certainty, thereby protecting both access to justice and creditor rights.

Keywords: Sharia Economic Disputes; Small-Claims Procedure; Non-Mortgage Land Collateral; Secured-Transactions Certainty; Religious Courts.

Abstrak: Penyelesaian sengketa ekonomi syariah yang melibatkan jaminan tanah tanpa Hak Tanggungan menampilkan ketegangan antara efisiensi prosedur dan kepastian perlindungan bagi kreditur. Kajian ini menelusuri pola putusan Pengadilan Agama melalui studi kasus Sumenep No. 1/Pdt.G.S/2020/PA.Smp, memadukan telaah normatif atas undang-undang dan regulasi peradilan dengan pembacaan empiris terhadap putusan. Temuan menunjukkan orientasi pro-efisiensi yakni gugatan sederhana diterima, keabsahan perjanjian ditegakkan berdasar Pasal 1320 KUH Perdata, dan akses keadilan bagi nilai sengketa kecil meningkat. Konsekuensinya, posisi kreditur melemah karena agunan non-Hak Tanggungan

tidak menghadirkan titel eksekutorial maupun hak preferen. Pemetaan menegaskan kekosongan pengaturan teknis tentang agunan non-HT di ranah ekonomi syariah dan variasi pertimbangan yudisial antarperkara. Kerangka *maṣlahah mursalah* menilai kemanfaatan percepatan proses hanya sah bila tidak menggerus kepastian eksekusi, sedangkan *saddu al-ẓari'ah* menuntut penutupan celah yang membuka peluang mudarat seperti perilaku oportunistik debitur dan lonjakan biaya pembiayaan. Rekomendasi diarahkan pada harmonisasi UU Hak Tanggungan, UU Peradilan Agama, dan ketentuan gugatan sederhana, penyusunan pedoman teknis nasional bagi hakim terkait verifikasi jaminan non-HT serta amar eksekusi yang operasional, dan penguatan tata kelola syariah agar standar pembuktian, pengawasan, dan transparansi seragam. Sinergi ini diharapkan menyatukan asas sederhana-cepat-biaya ringan dengan kepastian transaksi jaminan, sehingga akses dan hak kreditur sama-sama terlindungi.

Kata kunci: Sengketa Ekonomi Syariah; Gugatan Sederhana; Jaminan Non-Hak Tanggungan; Kepastian Hukum; Pengadilan Agama.

Introduction

The resolution of Islamic economic disputes (*sengketa ekonomi syariah*) in Indonesia continues to face significant challenges, particularly in cases of breach of contract involving non-mortgage land collateral (*tanah non-hak tanggungan*). This phenomenon is crucial because it reflects the gap between society's need for swift access to justice and the rigidity of the existing positive legal framework.¹ Several studies emphasize that flexibility in dispute resolution is a key element in modern judicial systems because it enables the realization of substantive justice while maintaining procedural effectiveness.² The practice of simplified claims in Pengadilan Agama Sumenep (Sumenep Religious Court) illustrates a new trend in the resolution of Islamic economic disputes, but it also raises controversy regarding its legal basis and the certainty of creditor protection. This situation underscores the urgency of this research, which aims to explore the alignment of procedural law with the principles of religious courts while safeguarding creditor rights both normatively and operationally.

In practice, accelerating the resolution of small-value cases through simplified claim procedures has become a judicial policy priority. The *Mahkamah Agung* (Supreme Court of Indonesia) reported increased efficiency in simplified claim handling in 2023 as part of its agenda to promote ease of doing business and procedural efficiency, including for Islamic

¹Odi Jarodi et al., "From Fragmentation to Coherence: Enhancing Human Resource Capacity in Indonesian Law Reform for Effective Justice Delivery," *Journal of Law and Legal Reform* 5, no. 4 (2024), <https://doi.org/10.15294/jllr.v5i4.18924>; Nicola COLBRAN, "Sense and Simplicity in Legal and Human Rights Co-Operation: A Case Study of Indonesia," *Asian Journal of Law and Society* 2, no. 1 (2015): 195–206, <https://doi.org/10.1017/als.2015.3>.

²Karolina Mania, "Online Dispute Resolution: The Future of Justice," *International Comparative Jurisprudence* 1, no. 1 (2015): 76–86, <https://doi.org/10.1016/j.icj.2015.10.006>; Kariuki Muigua and Kariuki Francis, "Alternative Dispute Resolution, Access to Justice and Development in Kenya," *Strathmore LJ* 1 (2015): 1; Jacqueline Nolan-Haley, "International Dispute Resolution and Access to Justice: Comparative Law Perspectives," *J. Disp. Resol.*, HeinOnline, 2020, 391.

economic disputes within the religious court system.³ Court administration data recorded a massive expansion of published decisions, more than 891,000 decisions uploaded throughout 2023, reflecting the scale of the workload and the urgent need for standardization to ensure consistent and predictable judicial outcomes.⁴ At the same time, the Islamic finance sector continues to grow, with the non-performing financing (NPF) ratio of Islamic commercial banks reaching around 2.14 percent as of September 2024. This figure underscores the importance of execution certainty for collateral to maintain the financial soundness of Islamic financial institutions.⁵ On the normative side, Supreme Court Regulation No. 14 of 2016 provides the procedural foundation for simplified claims in religious courts, while Law No. 4 of 1996 on Mortgage Collateral affirms preferential rights and ease of execution for creditors holding registered collateral.⁶ When disputes involve non-mortgage land collateral, the gap between simplified procedures and executorial power becomes a critical doctrinal issue that must be examined carefully to ensure that efficiency is not purchased at the expense of legal certainty for creditors.

A review of the existing literature on Islamic law disputes reveals both conceptual and practical gaps, particularly concerning non-mortgage land collateral. Most previous studies focus on Islamic banking disputes involving collateral regulated under the Mortgage Law, while studies on non-mortgage collateral remain limited. Several works highlight the weakness of Islamic banking regulation in guaranteeing legal certainty for creditors,⁷ while others expose the limited capacity of religious courts to comprehensively interpret procedural law in Islamic economic cases. None of these studies have integrated case-based analysis with normative evaluations of simplified claim procedures.⁸ This research fills that gap by offering a new perspective through a close examination of the Sumenep Religious Court decision, enabling a deeper assessment of judicial practice and its normative implications.

This article examines the legal dynamics of resolving Islamic economic cases involving land collateral without registered mortgage rights through simplified claim procedures in Religious Courts, a focus that remains underexplored because prior studies rarely address both the normative and practical dimensions of disputes involving Non-Hak Tanggungan (non-mortgage land collateral) and often generalize Islamic banking disputes without distinguishing the specific nature of the collateral.⁹ By analysing the Sumenep Religious Court Decision No. 1/Pdt.G.S/2020/PA.Smp, the study clarifies how simplified procedures may preserve access to justice while safeguarding creditor protection, and it integrates normative

³ Mahkamah Agung Ketua MA, "Laporan Tahunan Mahkamah Agung Republik Indonesia Tahun 2023," Mahkamah Agung, February 2024.

⁴ Direktorat Badan Peradilan Agama Badilag, "Kumpulan Dataset Perkara Peradilan Agama," Maret 2025, <https://pusatdata.badilag.net/perkara/Direktorilist>.

⁵ Otoritas Jasa Keuangan OJK, "STATISTIK PERBANKAN SYARIAH - DESEMBER 2024," Otoritas Jasa Keuangan Republik Indonesia, 2024.

⁶ Mahkamah Agung, "Peraturan Mahkamah Agung Nomor 14 Tahun 2016," Lembaran Negara, Desember 2016.

⁷ Yusuff Jelili Amuda and Shahad Ahmed Al-Nasser, "Exploring Encounters and Prodigies of Islamic Banks in Non-Muslim States: Towards Enhancing Regulatory Frameworks of Islamic Banking System," *International Journal of Law and Management*, ahead of print, November 8, 2024, <https://doi.org/10.1108/IJLMA-11-2023-0250>.

⁸ Ahmad Yani Anshori, "The Contestation of Legal Foundations in the Resolution of Islamic Economic Disputes in Religious Courts," *Al-Manabji: Jurnal Kajian Hukum Islam*, 2024, 271–88.

⁹ Nur Hidayah et al., "Sharia Banking Disputes Settlement: Analysis of Religious Court Decisions in Indonesia," *Al-Risalah: Forum Kajian Hukum Dan Sosial Kemasyarakatan* 23, no. 1 (2023): 75–92, <https://doi.org/10.30631/alrisalah.v23i1.1347>.

analysis with judicial evaluation to situate the findings within Islamic economic law. Building on this scope, the article maps judicial reasoning in the Sumenep case and develops an evaluative framework grounded in *maṣlaḥah mursalah* and *saddu al-ẓarī'ah* to test the normative soundness and practical enforceability of simplified procedures. The inquiry is guided by two research questions. (1) How do Religious Courts resolve Islamic economic cases involving Non-Hak Tanggungan (non-mortgage land collateral) through simplified claim procedures, and what legal dynamics emerge across both normative and practical dimensions? (2) To what extent does an analysis of the Sumenep Religious Court Decision No. 1/Pdt.G.S/2020/PA.Smp demonstrate the alignment of simplified claim procedures with syariah principles and creditor protection, thereby advancing scholarship through an integrated normative analysis and judicial evaluation?

The analysis in this article departs from the view that the complexity of Islamic Economic Disputes involving non-mortgage land collateral can only be understood by linking regulatory, institutional, and judicial practice dimensions. The absence of specific regulations governing non-mortgage land collateral weakens the position of creditors seeking legal certainty, while the limited interpretive capacity of procedural law that aligns with the characteristics of Islamic financing within the Religious Court system further widens the uncertainty.¹⁰ In such circumstances, judicial decisions often take pragmatic routes that, in several cases, provoke debates on the protection of rights and obligations of the parties involved.¹¹ The strong connection between the regulatory vacuum and inconsistent judicial outcomes indicates that regulatory harmonization and the drafting of judicial guidelines are essential preconditions for ensuring justice that can be justified according to syariah while simultaneously guaranteeing legal certainty for creditors.

The scholarly discussion on the resolution of Islamic Economic Disputes in Indonesia's Religious Courts demonstrates an ongoing tension between efficiency, procedural justice, and doctrinal consistency. Ridwan and Zain (2021) underline that post-reform legislation broadened the legal mandate of Religious Courts but left unresolved the structural friction between Islamic and civil law frameworks.¹² Hasanudin, Kamsi, and Anshori (2024) further note that the contestation of legal foundations persists, producing inconsistency in judicial interpretation and uncertainty in outcomes.¹³ Meanwhile, Fithriah et al. (2023) identify uneven judicial competence as a barrier to coherent rulings,¹⁴ reinforcing Azheri's (2018) earlier call for the establishment of specialized Sharia Economic Courts to strengthen expertise and institutional uniformity.¹⁵ Parallel studies turn toward alternative dispute mechanisms. Khasanah, Adinugraha, and Mayangsari (2021) argue that online

¹⁰Andrea J Boyack, "Just Consumer Financial Protection: Prevention or Cure," *Emory Bankr. Dev. J.* 41 (2024): 1.

¹¹Amran Suadi, "Judicial Authority and the Role of the Religious Courts in the Settlement of Sharia Economic Disputes," *Lex Publica* 7, no. 2 (2020): 1–14, <https://doi.org/10.58829/lp.7.2.2020.1-14>.

¹² R. Ridwan and M.F. Zain, "Indonesia Sharia Economic Legislation as a Legal Frame Post Reformation," *Journal of Legal, Ethical and Regulatory Issues* 24, no. 2 (2021): 1–13, Scopus.

¹³ Hasanudin et al., "The Contestation of Legal Foundations in the Resolution of Islamic Economic Disputes in Religious Courts," *Al-Manahij: Jurnal Kajian Hukum Islam*, 2024, 271–88, <https://doi.org/10.24090/mnh.v18i2.11934>.

¹⁴ N. Fithriah et al., "Implementing Accessibility Principles in Alternative Dispute Resolution for Sharia Economic Disputes in Indonesia," *Jurnal Ilmiah Mizani* 10, no. 2 (2023): 292–301, Scopus, <https://doi.org/10.29300/mzn.v10i2.3010>.

¹⁵ Busyra Azheri, "Urgency of the Establishment of a Special Court for the Resolution of Sharia Economic Dispute in the Religious Courts," *J. Legal Ethical & Regul. Issues* 21 (2018): 1.

dispute resolution has improved accessibility, though confidentiality and procedural integrity remain fragile.¹⁶ Arifin and Mansar (2019) highlight arbitration in mu‘āmalah as doctrinally valid but institutionally underdeveloped,¹⁷ while Hariyanto et al. (2023) link the revitalisation of Sharia economic law to governance reforms oriented toward social welfare.¹⁸ Firdaus, Retnowati, and Abdurrozaq (2024) observe procedural efficiency in simplified claims yet warn that excessive streamlining risks undermining execution certainty.¹⁹ Collectively, these studies reveal a growing but fragmented literature, none yet addressing non-mortgage land collateral disputes within simplified procedures. This study therefore fills that empirical-doctrinal void.

The study adopts a qualitative approach with a case study strategy focused on the Sumenep Religious Court Decision No. 1/Pdt.G.S/2020/PA.Smp concerning default involving non-mortgage land collateral. This design allows an in-depth exploration of the connections between the judicial text, litigation practices, and the socio-economic context of the parties while assessing the normative implications of simplified claim procedures. The approach is relevant to mapping points of legal vulnerability when formal guarantees are incomplete yet procedural efficiency is prioritized. This methodological choice is based on two considerations. First, research in Islamic economic law requires a normative reading supported by court documentation to assess the balance between procedural accessibility and the enforceability of legal rights.²⁰ Second, issues concerning non-mortgage land collateral in simplified claims remain underexplored; case studies allow the identification of regulatory gaps and patterns of judicial reasoning grounded in factual circumstances.²¹

The unit of analysis consists of the judgment’s amar (dispositive order) and legal reasoning, along with related legal documents concerning Islamic Economic Disputes with non-mortgage land collateral.²² The normative reading is guided by two frameworks. The first is *maṣlahah mursalah* (public benefit), which assesses whether procedural ease provides legitimate benefits according to syariah through indicators such as the genuine need addressed, measurable public benefit, the absence of contradiction with clear syariah injunctions,²³ and the absence of offsetting harm to execution certainty. The second is *saddu al-ẓari‘ah* (preventive legal reasoning), which aims to close pathways that reasonably lead to

¹⁶ K. Khasanah et al., “Online Dispute Resolution (ODR) as an Alternative Resolution of Sharia Economics in Indonesia,” *Jurnal Hukum Islam* 19, no. 1 (2021): 21–42, Scopus, <https://doi.org/10.28918/jhi.v19i1.3628>.

¹⁷ M. Arifin and A. Mansar, “Features of Arbitration in Islamic Law When Resolving Disputes in Muamalah,” *International Journal of Innovation, Creativity and Change* 9, no. 10 (2019): 295–311, Scopus.

¹⁸ Didik Hariyanto and Athoillah Islamy, “Religious Moderation in Islamic Groups in the History of the Basic Consensus of the Indonesian State,” *Al-Adalah: Jurnal Hukum Dan Politik Islam* 1, no. 1 (2023): 15–28, <https://doi.org/10.30863/ajmpi.v1i1.3282>.

¹⁹ Firdaus et al., “SETTLEMENT OF SHARIA ECONOMIC DISPUTES: EFFICIENCY OF IMPLEMENTATION IN INDONESIAN RELIGIOUS COURTS.”

²⁰ Miftakhul Huda and Umi Sumbulah, “Normative Justice And Implementation Of Sharia Economic Law Disputes: Questioning Law Certainty And Justice,” *PETITA* 9 (2024): 340.

²¹ Imam Sukadi and Erfaniah Zuhriah, “The Legal Policy of Judicial Power: The Idea of Implementation of Small Claim Courts in Religious Courts,” *De Jure: Jurnal Hukum Dan Syari‘ah* 13, no. 1 (2021): 1–13.

²² Dian Latifiani et al., “Can Advocates’ Legal Culture in Civil Law Enforcement Drive Reform in Indonesia’s Modern Justice System?,” *Journal of Law and Legal Reform* 5, no. 3 (2024): 913–42, <https://doi.org/10.15294/jllr.v5i3.12988>.

²³ Zaenuddin Mansyur, “Pembaruan Maslahah Dalam Maqāṣid Al- Shari‘ah: Telaah Humanistis Tentang Al-Kulliyāt Al-Khamsah,” *Ulumuna* 16, no. 1 (2012): 71–102., <https://doi.org/10.20414/ujs.v16i1.103>.

harm,²⁴ using indicators such as the proximity of causal relationships, magnitude and likelihood of risk (for example, uncertainty of execution, opportunistic behavior, or increased financing costs), the availability of safer alternatives, and proportionality of the restrictions.²⁵ These analytical tools are employed to interpret existing findings rather than introduce or alter data.

Sources of data include primary legal materials (court decisions, legislation, and Supreme Court regulations), secondary legal materials (peer-reviewed and accredited journal articles), and tertiary legal materials (legal dictionaries and encyclopedias). Data collection was conducted through document analysis, literature review, and systematic reading of judicial decisions, with secondary data drawn from reputable journal databases and official judicial repositories. The validity of findings was maintained through source triangulation that compared written norms, judicial practices, and academic commentary, as well as consistency checks across sections of the decision. Data were analyzed qualitatively through stages of reduction, issue categorization, interpretation of judicial reasoning, and formulation of normative conclusions. Findings were then recontextualized through *maṣlahah mursalah* and *saddu al-ẓariʿah*, as well as principles of creditor protection and accessible, expeditious, and low-cost justice. This approach examines not only the procedural dimension but also the substantive justice embedded in the judgment, while proposing a realistic corrective design for the development of Islamic economic law in Indonesia.²⁶

Results and Discussion

Judicial Construction of the Sumenep Religious Court

The Sumenep Religious Court, in Decision No. 1/Pdt.G.S/2020/PA.Smp, interprets simplified claim procedures as a legitimate instrument for resolving Islamic Economic Disputes. The central point emphasized is the court's absolute jurisdiction under Article 49(i) of Law No. 3 of 2006 on Religious Courts, which includes sharia economic disputes.²⁷ The panel of judges presents two key arguments. First, the simplified claim procedure aligns with the principle of simple and low-cost justice. Second, the *murabahah* financing contract under dispute remains subject to general civil procedural law.²⁸ Evidence from the judgment indicates that the judges refer to Supreme Court Circular (*Surat Edaran Mahkamah Agung, SEMA*) No. 2 of 2015 as the formal basis for accepting the case under simplified claim procedures. This judicial construction reflects an integrative attempt to reconcile procedural simplicity with sharia economic principles, while simultaneously opening a debate about the legal validity of using non-mortgage land collateral as an enforceable security.

²⁴ Bayu Prasetyo and Dewi Ayu, "Comparative Study of the MUI Fatwa and Sadd Al-Ẓariʿah Concerning Spirit Dolls," *Indonesian Journal of Islamic Law* 5, no. 2 (2022): 60–79, <https://doi.org/10.35719/ijil.v5i2.2008>.

²⁵ Miftakhul Huda and Hisam Ahyani, "Normative Justice and Implementation Related to Sharia Economic Law Disputes in Realizing Legal Certainty and Justice in Indonesia," *Al-Risalah: Forum Kajian Hukum Dan Sosial Kemasyarakatan* 24, no. 1 (2024): 103–19, <https://doi.org/10.30631/alrisalah.v24i1.1467>.

²⁶ J W Creswell, "Research Design Qualitative Quantitative and Mixed Methods Approaches," *Research Design Qualitative Quantitative and Mixed Methods Approaches*, ahead of print, 2003, <https://doi.org/10.3109/08941939.2012.723954>.

²⁷ Azheri, "Urgency of the Establishment of a Special Court for the Resolution of Sharia Economic Dispute in the Religious Courts."

²⁸ Rezki Akbar Norrahan and Mariani Mariani, "Murabaha Contract Dispute Resolution Procedure," *Sharia Oikonomia Law Journal* 1, no. 4 (2023): 241–54, <https://doi.org/10.55849/solj.v1i4.584>.

Tabel. 1
Normative Basis in the Sumenep Religious Court Decision
No. 1/Pdt.G.S/2020/PA.Smp

Legal Sources	Main Content	Relevance in Judgment
Law No. 3 of 2006, Article 49(i)	Grants Religious Courts jurisdiction over Islamic economic disputes	Establishes the legal basis for the absolute jurisdiction of the Sumenep Religious Court
SEMA No. 2 of 2015	Guidelines for resolving cases through simplified claim procedures	Provides the formal basis for admitting the case under simplified procedures
<i>Murabahah</i> Financing Contract	Regulates the rights and obligations of debtors and creditors in Islamic financing	Serves as the object of dispute assessed under default
Law No. 48 of 2009, Article 2(4)	Requires the judiciary to operate simply, swiftly, and at low cost	Justifies the application of simplified procedures in this dispute

The judicial construction in applying simplified claims to Islamic Economic Disputes confirms that this procedure has been integrated into the jurisdiction of Religious Courts. This approach is driven by the need for judicial efficiency and the normative mandate provided by the Religious Courts Law and SEMA No. 2 of 2015. The factual considerations in the Sumenep judgment demonstrate a convergence between the principle of simple justice and the search for substantive justice in *murabahah* contracts. Nevertheless, this application raises scholarly debates because the collateral at issue, land not burdened with non-mortgage land collateral, does not have the same legal legitimacy as land with registered mortgage rights. This tension underscores the normative gap between procedural certainty and the enforceability of collateral in sharia-based financing.

The judicial reasoning constructed by the Sumenep Religious Court reveals a clear pattern of integrating procedural simplicity with the substantive elements of Islamic financing contracts. The judges consistently refer to positive law, namely the Religious Courts Law and SEMA No. 2 of 2015, thereby legitimizing the use of simplified claim procedures in Islamic Economic Disputes. This pattern reflects a judicial orientation toward efficiency and legal protection for the parties involved. However, the reliance on general procedural instruments leaves unresolved issues, particularly regarding the legal validity of non-mortgage land collateral. This construction illustrates the adaptive tendencies of Religious Courts in accommodating procedural innovation, while exposing normative gaps that require regulatory strengthening to align with the distinctive features of Islamic economic law.

Implications of Using Non-Mortgage Land Collateral

The use of land without registered mortgage rights (Non-Hak Tanggungan) as collateral in Islamic financing disputes creates critical legal issues. The Sumenep Religious Court, in Decision No. 1/Pdt.G.S/2020/PA.Smp, upheld the validity of the agreement even though the collateral was not formally registered under the legal framework governing mortgage rights. The main legal justification lies in the fulfillment of the essential elements of a contract

as stipulated in Article 1320 of the Indonesian Civil Code (*Kitab Undang-Undang Hukum Perdata*), thereby rendering the agreement binding under civil law. This situation, however, weakens legal protection for creditors since Law on Mortgage Rights (*Undang-Undang Hak Tanggungan*) does not grant preferential rights to unregistered collateral. This gap highlights a tension between procedural certainty and substantive protection, sparking debate among Islamic legal scholars on the validity and enforceability of collateral without registered mortgage rights.

The core problem of non-mortgage land collateral lies in the absence of preferential rights for creditors when the debtor defaults. Under Law No. 4 of 1996 on Mortgage Rights (*Undang-Undang Hak Tanggungan*), execution power is only granted when the collateral is registered through an official mortgage certificate.²⁹ Without registration, creditors are reduced to the status of concurrent creditors, forced to compete with other creditors in the execution of assets. Evidence from the Sumenep Religious Court Decision No. 1/Pdt.G.S/2020/PA.Smp indicates that even though land was used as collateral, the judges upheld the contract solely based on the general contractual requirements under Article 1320 of the Civil Code.³⁰ To further illustrate the conceptual differences and normative implications between mortgage-based and non-mortgage collateral, Table 2 is presented below.

Tabel. 2

Comparison Table: Mortgage Collateral vs Non-Mortgage Land Collateral

Aspect	Mortgage Collateral	Non-Mortgage land collateral
Legal Position of Creditors	Preferential creditor (entitled to direct execution)	Concurrent creditor (must compete with others)
Executory Power	Holds execution power (Article 14 of Law No. 4/1996)	No execution power
Registration Procedure	Mandatory registration at the Land Office	No formal registration required
Legal Certainty	Strong protection for creditors	Weak and vulnerable to future disputes
Judges' View (Sumenep Religious Court)	Considered ideal but not applied due to simplified claims procedure	Still considered valid as long as contractual requirements are fulfilled

Although contracts backed by non-mortgage land collateral remain valid under civil law, the absence of executory power significantly weakens the creditor's legal position. This implication reflects a tension between procedural simplicity in dispute resolution and legal certainty in secured transactions.

²⁹A. Hashfi Luthfi, "Eksekusi Berdasarkan Ketentuan Pasal 6 Undang-Undang No 4 Tahun 1996 Tentang Hak Tanggungan Sebagai Alternatif Penyelesaian Sengketa Ekonomi Syariah," *Az-Zarqa'* 11, no. 1 (2019): 29–44, <https://doi.org/10.14421/azzarqa.v11i1.1783>.

³⁰David Tan, "Controversial Issues on the Making of Notarial Deed Containing Chained Promise (Beding Berantai) with the Freedom of Contract Principle," *JILS* 4 (2019): 315.

The legal construction arising from the use of non-mortgage land collateral reveals a significant normative gap in the legal protection of Islamic financing. The Sumenep Religious Court reaffirmed the contract's validity by relying on general contractual requirements, despite the lack of executory rights over the collateral. This judicial stance highlights a flexible orientation aligned with the principles of simplicity, speed, and low cost in court procedures. However, evidence from both the decision and academic studies shows that creditors face a weakened position due to the absence of preferential rights, exposing them to potential future disputes. This condition underscores that the lack of registered mortgage rights in sharia collateral generates tension between procedural certainty and substantive protection, gradually undermining trust in Islamic financing instruments. The discussion reflects a normative dilemma in Islamic Economic Disputes between judicial efficiency and legal certainty. The Sumenep Religious Court's decision tends to favor simplified procedures and general contract compliance, while sacrificing the privileged legal position that mortgage collateral would normally provide. This tendency reveals a pragmatic judicial approach to dispute resolution, while at the same time weakening creditor protection. It also highlights that the practice of non-mortgage land collateral continues to generate academic and legal controversy, which demands regulatory reform to align with principles of substantive justice in Islamic economic law.

Judgment Patterns and Normative Implications

The pattern of decisions in Religious Courts regarding Islamic Economic Disputes involving non-mortgage land collateral demonstrates both consistency and variation in judicial reasoning. On one hand, judges tend to prioritize the fulfillment of contractual validity requirements as the main legal foundation for upholding agreements. On the other hand, this pattern reflects a shift from a creditor-protection paradigm toward procedural simplification, particularly in small-value or low-complexity claims. The normative implication is the emergence of a dilemma between ensuring strong creditor protection and upholding the principles of accessible, simple, fast, and low-cost justice.

This variation in judicial patterns stems largely from the absence of specific procedural guidance regarding non-mortgage collateral in sharia economic disputes. This gap forces judges to reconcile procedural efficiency with legal certainty. Evidence shows that the Sumenep Religious Court Decision No. 1/Pdt.G.S/2020/PA.Smp accepted the simplified claims procedure and upheld the validity of the contract under Article 1320 of the *Kitab Undang-Undang Hukum Perdata* (Indonesian Civil Code) even though the collateral was not backed by registered mortgage rights. Comparative studies confirm these normative consequences. The fragmented legal structure in Pakistan reveals the necessity of more robust collateral frameworks to safeguard creditor interests,³¹ while the governance models in Indonesia and Malaysia underline the importance of harmonized sharia supervisory standards to reduce judicial inconsistency.³² Recent research further emphasizes that fostering a culture of sharia compliance and strengthening supervisory boards significantly

³¹ Ro'fah Setyowati et al., "Improving The Professionalism of Islamic Economic Judges Through Certification Towards Asian Economic Community (AEC)," *IOP Conference Series: Earth and Environmental Science* 175 (July 2018): 012212, <https://doi.org/10.1088/1755-1315/175/1/012212>.

³² Faizi Faizi and Mohd Sollehudin Bin Shuib, "Sharia Governance in Islamic Financial Institutions: A Comparative Review of Malaysia and Indonesia," *EL DINAR: Jurnal Kenangan Dan Perbankan Syariah* 12 (2024): 89–107.

improves transparency, trust, and creditor confidence.³³ Collectively, these findings indicate a pro-efficiency judicial orientation that leaves unresolved gaps in creditor protection.

Tabel. 3
Judicial Patterns and Normative Evidence

Source of Evidence	Main Findings	Normative Implications
Sumenep Religious Court Decision No. 1/Pdt.G.S/2020/PA.Smp	Contract upheld even without registered mortgage rights (based on Article 1320 of the Civil Code)	Judges prioritize procedural efficiency (simple, fast, and low cost) over creditor protection and preferential rights
Ro’fah et al. (2024)	Legal and regulatory frameworks in Pakistan’s Islamic banking industry remain fragmented	A stronger and more secure transaction structure is needed to support creditor confidence and legal certainty
Faizi & Shuib (2024)	Comparative review of sharia governance in Indonesia and Malaysia reveals centralized versus decentralized models	Highlights the need for standardized and harmonized governance frameworks to minimize judicial inconsistency
Mat Nan & Hassan (2024)	Sharia compliance culture significantly improves transparency and public trust in Islamic banks	Emphasizes the role of courts and sharia institutions in strengthening compliance for legal and economic stability

The evidence summarized in Table 3 underscores that judicial reasoning in Islamic Economic Disputes involving non-mortgage land collateral follows a pragmatic orientation that emphasizes procedural efficiency. The Sumenep decision exemplifies this by upholding a contract without registered mortgage rights to ensure simple and expedited dispute resolution. However, comparative studies reveal persistent normative gaps. Fragmented legal frameworks in other jurisdictions weaken creditor certainty, while differences in governance models between Indonesia and Malaysia exacerbate judicial inconsistency. Meanwhile, research on sharia compliance culture and supervisory boards highlights the role of institutional transparency, accountability, and governance diversity in strengthening market trust. Overall, these findings reaffirm that while courts promote access to justice, they do so at the cost of creditor protection, underscoring the urgent need for a harmonized legal framework and stronger sharia governance to balance efficiency with legal certainty.

The judicial pattern identified in the Sumenep decision reflects a broader trend within Religious Courts that prioritizes procedural efficiency over formal creditor protection. This description highlights that the judiciary tends to interpret sharia economic procedures

³³Mohd Supian Mat Nan and Rusni Hassan, “Effective Implementation of Shariah Compliance Culture in Islamic Banks,” *International Journal of Management and Applied Research* 11, no. 2 (2024): 140–55, <https://doi.org/10.18646/2056.112.24-007>.

flexibly, emphasizing “simple and low-cost” dispute resolution even when the collateral does not meet the mortgage registration requirements mandated by law. While this approach enhances access to justice for debtors and small claimants, it simultaneously creates legal uncertainty for creditors who rely on mortgage registration as the basis for their secured rights. Comparative literature indicates that this kind of procedural flexibility is not unique to Indonesia. Similar challenges are evident in Pakistan and other jurisdictions where fragmented legal frameworks erode creditor confidence. In contrast, Malaysia’s centralized governance structure demonstrates that standardized sharia supervisory practices can reduce judicial inconsistency. This pattern reveals a judicial balancing act in which efficiency is achieved at the expense of certainty, pointing to the need for doctrinal clarification and regulatory harmonization to align judicial practice with the objectives of Islamic economic law.

Judicial Efficiency and Legal Certainty

Judicial practice in Islamic Economic Disputes reveals a distinctive pattern in which Religious Courts prioritize efficiency through simplified procedures rather than strict adherence to the formalities of collateral law. This tendency is clearly reflected in cases such as the Sumenep decision, where the validity of contracts is recognized even without registered mortgage rights (Non-Hak Tanggungan). Comparative evidence further shows that fragmented regulatory structures and diverse governance models exacerbate both creditor uncertainty and judicial inconsistency. However, these courts also broaden access to justice for small claimants by lowering procedural barriers. Collectively, these findings highlight a dual reality. While Religious Courts promote accessibility to justice, they simultaneously create residual gaps in legal certainty, particularly in protecting creditors’ rights. This duality constitutes one of the central issues examined critically within the framework of Islamic economic law.

The judiciary’s inclination toward efficiency originates from the structural mandate of Religious Courts to uphold the principle of justice that is “simple, fast, and low cost” in Islamic Economic Disputes. This orientation emerges as a pragmatic response to the growing number of small-value sharia contracts, for which strict collateral formalism would hinder fair access to justice. Evidence, including research by Amrana, indicates that courts adopt mechanisms resembling simplified claims procedures to accelerate case resolution.³⁴ Zuhriah likewise emphasizes that these procedures are deliberately designed to be brief and affordable, typically limited to a 25-day timeline, thereby reducing procedural burdens.³⁵ This explanation demonstrates that judicial pragmatism is structurally embedded in the Religious Court system, balancing accessibility with formalism in legal practice.

Reliance on simplified claims procedures to resolve sharia economic disputes involving collateral without registered mortgage rights carries significant normative implications for legal certainty and creditor protection. Although simplified procedures enhance accessibility, they simultaneously erode the foundation of secured transactions by bypassing formal collateral registration requirements. Research by Imaniyati et al. illustrates that the application of simplified claims mechanisms in the West Java Religious Courts, as mandated by Supreme

³⁴Ali Amran et al., *Resolving Economic Syari ‘Ab Case s in Small Claim Courts and Religious Courts*, 10, no. 3 (2019): 300–308.

³⁵E Zuhriah et al., “Implementation of Solutions a Simple Claims of Sharia Economy in the Religious Court of Malang City and Religious Court of Malang District,” ... *of Solutions a Simple ...*, no. 3 (2022): 5798–808.

Court Regulation (*Peraturan Mahkamah Agung or PERMA*) No. 14/2016, does not consistently align with the substance, structure, and legal culture of sharia dispute resolution.³⁶ This highlights a fundamental tension in which improved access must be purchased at the expense of reduced legal protection, underscoring the urgent need for reform to simultaneously uphold procedural accessibility and creditor protection under Islamic economic law.

***Maṣlahah* and *Saddu Al-ẓarī'ah* in Order to Close the Gaps in Non Mortgage Land Colateral**

The simplification of procedures in Islamic Economic Disputes can only be justified when this simplification generates benefits that are legally and ethically valid according to Islamic law. From the perspective of *Maṣlahah Mursalah*, these benefits must go beyond administrative acceleration and must be understood as a tangible reduction of transaction burdens, including case costs, processing time, and access barriers for small claimants, without producing greater counter-losses in the certainty of executing collateral classified as *Non-Hak Tanggungan* (non-mortgage land collateral).³⁷ Efficiency is not assumed to be inherently good but is assessed as a measurable public benefit that does not contradict clear provisions of Islamic law. When accelerated procedures undermine the certainty of execution, the procedural ease loses its basis in *maṣlahah* and must be recalibrated.

The data show that there is a clear causal relationship between simplified procedures and the decline of execution certainty in collateral without registered mortgage rights. Within the framework of *Maṣlahah Mursalah*, this condition shifts the net public benefit into the negative, as the burden of risk is transferred from the negligent debtor to the creditor who has fulfilled their obligations. Proper policy correction does not mean eliminating simplified mechanisms but redesigning them so that procedural accessibility does not become an entry point for harm. This redesign rests on three minimum standards. First, a strict verification of collateral including identity, specification, and verifiable evidence of control and delivery. Second, enforceable contractual terms that clearly regulate recovery and sale of the collateral to avoid ambiguity. Third, a judgment (*amar*) that provides clear guidance for enforcement including the order of repayment or sale in case of default. From the perspective of *Saddu Aḡ-Ẓarī'ah*, these three standards function to close pathways that reasonably lead to harm such as bad-faith delays, unreasonable financing cost increases, and erosion of creditor trust, while preserving procedural ease for small-value claims. Through this approach, procedural benefits can be preserved without unfairly transferring risks, ensuring that the public value of procedural simplicity remains valid under both Islamic law and positive law.

In terms of prevention, *Saddu Al-ẓarī'ah* functions to close pathways that reasonably open the way to harm. Risk gaps in non-mortgage land collateral disputes commonly emerge when collateral verification is weak, causal relations between collateral and financing are vague, or when the judgment lacks clear executory instructions. These gaps lead to

³⁶Neni Sri Imaniyati et al., "The Enforcement of Small Claim Court of Sharia Economics in Religious Courts According to Sharia Economic Principles," *Proceedings of the 4th Social and Humanities Research Symposium (SoRes 2021)* 658, no. SoRes 2021 (2022): 66–69, <https://doi.org/10.2991/assehr.k.220407.012>.

³⁷ Diky Faqih Maulana et al., "The Paradigm of Islamic Legal Sociology Towards Counterfeit Books Transactions in The Yogyakarta," *Aḡ-Zarqa': Jurnal Hukum Bisnis Islam* 14, no. 2 (2023): 285–307, <https://doi.org/10.14421/azzarqa.v14i2.2895>; Asyraf Wajdi Dusuki and Nurdianawati Irwani Abdullah, "Maqasid Al-Shari'ah, Maslahah, and Corporate Social Responsibility," *American Journal of Islamic Social Sciences* 24, no. 1 (2007): 25–45, <https://doi.org/10.35632/ajiss.v24i1.415>.

opportunistic behavior, increased financing costs due to execution risk being factored into pricing, and declining creditor trust. Closing these gaps proportionally is therefore justified. This involves tightening the evidentiary requirements on collateral identity and specification, mandating the inclusion of remedial or sale clauses that can be operationalized, and drafting judgments that clarify repayment or sale mechanisms when the debtor defaults.

This dual theoretical perspective positions procedural ease not as a compromise on legal certainty but as a careful design that preserves both interests. *Maṣlaḥah* ensures the real benefits of simplification, while *Saddu Al-ẓarī'ah* ensures those benefits do not become shortcuts toward harm. The result is a carefully designed configuration that remains simple yet strict at critical points such as collateral identity and quality, enforceability of execution clauses, and clarity of judicial orders. This approach keeps access open for small claimants while protecting creditors' rights. At the same time, it lays a clearer foundation for the upcoming cross-jurisdictional comparison regarding how other systems maintain procedural accessibility without opening harmful legal gaps and what safeguards may be adopted to address the identified deficiencies.

The dual approach that combines *maṣlaḥah mursalah* and *saddu al-ẓarī'ah* functions not merely as a normative justification but as an operational instrument for testing judicial policy. At the conceptual level, *maṣlaḥah mursalah* provides justification for policies that are not explicitly stated in the textual sources (*naṣ*) as long as the benefits are tangible, public in nature, and do not contradict the provisions of Islamic law. This emphasis aligns with classical legal construction that evaluates benefits through measurable and observable impacts, which can then be weighed against potential harm (*mafsadah*) in the practice of law enforcement.³⁸ In *Non-Hak Tanggungan* (non-mortgage collateral) cases, the application of *maṣlaḥah* requires auditable indicators such as the reduction of procedural costs, faster resolution time, and fewer subsequent disputes, while ensuring that the probability of collateral execution does not decline. On the preventive side, *saddu al-ẓarī'ah* places the judiciary in a proactive position to close pathways that can reasonably be suspected of leading to *mafsadah* such as uncertainty of execution, bad-faith delays, or pricing distortions in financing. From this perspective emerges the need for strict pre-verification of collateral, clear and enforceable execution clauses, and judgments (*amar*) that provide concrete enforcement guidance. With this calibration, the “simple yet strict” procedural design gains methodological legitimacy since accessibility is preserved but bounded by measurable benefit testing and proportional preventive principles. This framework will serve as a benchmark when the discussion proceeds to the next stage, assessing the coherence of similar designs in other jurisdictions while maintaining the primary focus on the theoretical assessment of *Non-Hak Tanggungan* (non-mortgage land collateral) practices.

Comparing the Indonesian judicial approach with those of other jurisdictions reveals both significant convergence and divergence in resolving Islamic Economic Disputes. Indonesia's method, which prioritizes procedural simplicity amid legal ambiguity, sits between Malaysia's centralized sharia governance model and Pakistan's fragmented legal framework. Faizi and Shuib's research shows that Malaysia applies a structured two-tier governance model to ensure uniformity in sharia supervisory decision-making. By contrast, studies on Pakistan's Islamic banking regulations highlight legal fragmentation that

³⁸ Yeni Mafiah and Tri Wahyu Hidayati, “The Significance of Al-Ghazali's *Maslahah* Concept to the Development of Usul Fiqh and Islamic Law,” *AN NUR: Jurnal Studi Islam* 15, no. 1 (2023): 34–48, <https://doi.org/10.37252/annur.v15i1.444>.

undermines consistency and erodes creditor confidence. This comparison indicates that although Indonesia has advanced justice accessibility in line with global trends, its system still lacks the structural coherence demonstrated by Malaysia and continues to face legal instability similar to Pakistan.

With the perspectives of *maṣlaḥah mursalah* and *saddu al-ḥarī'ah* as a foundation, this comparative reading does not merely import foreign models but evaluates the extent to which these models align with principles of justice and the prevention of harm. In Malaysia, both sharia courts and civil courts apply a small claims procedure that caps claims at RM 5,000 and prohibits legal counsel, allowing quick and low-cost resolution of minor cases. Even so, this mechanism requires clear documentation and well-defined judicial orders, functioning as a safeguard similar to *saddu al-ḥarī'ah* in preventing abuse.³⁹ Malaysia's centralized sharia governance, where the National Sharia Advisory Council holds binding authority in interpreting Islamic financial contracts, helps control interpretive inconsistency across the country (as affirmed in the Federal Court ruling on the Shariah Advisory Council). In Pakistan, however, the Islamic banking system operates within a fragmented legal structure. Core legislation such as the Banking Companies Ordinance, the Financial Institutions (Recovery of Finance) Ordinance, and various sharia regulations do not always align. As a result, dispute resolution often depends on judicial interpretation or alternative mechanisms. This fragmentation amplifies uncertainty and exposes creditors to higher risks, highlighting the critical importance of procedural and governance coherence.⁴⁰

In this context, the main challenge lies in the fact that procedural flexibility may become a structural weakness when it is not accompanied by protective safeguards. This occurs, for example, when simplified procedures create vulnerabilities in execution or contractual ambiguity. Indonesia's procedural model, which favors simplified mechanisms amid the regulatory ambiguity surrounding *Non-Hak Tanggungan* (non-mortgage collateral), sits between two extremes. It is less rigid than Malaysia's highly regulated system but not as fragmented as Pakistan's, which often leads to uncertainty. The proportion between ease of access and legal protection, assessed through the lenses of *maṣlaḥah mursalah* and *saddu al-ḥarī'ah*, becomes a normative tool to evaluate external practices, determining whether other states allow excessive arbitrariness or excessively restrict access in the name of legal certainty. The next section examines Indonesia's judicial system in its adaptive posture and internal structural challenges before delving further into comparative models.

Judicial interpretation in Indonesian Religious Courts reflects an adaptive balance between procedural justice and substantive legal certainty, especially in the absence of specific regulations. Judges tend to adopt flexible approaches that integrate statutory law, Islamic legal principles, and *maqāṣid al-sharī'ah* as a practical response to legal gaps in Islamic Economic Disputes. Hidayah et al. reveal that sharia banking disputes often arise from regulatory gaps that produce multiple interpretations, compelling judges to rely on

³⁹ Azmir Ahmad and Muhammad Shahrul Ifwat Ishak, "Shari'ah Governance of Islamic Non-Banking Financial Institutions in Malaysia: A Conceptual Review," *The Journal of Management Theory and Practice (JMTPT)* 2, no. 1 (2021): 70–77, <https://doi.org/10.37231/jmtp.2021.2.1.91>; Bagas Heradhyaksa et al., "COMPARISON OF SHARIA SUPERVISORY REGULATIONS ON ISLAMIC VENTURE CAPITAL IN INDONESIA AND MALAYSIA," *Diponegoro Law Review*, 8, no. 2 (2023): 175–89, <https://doi.org/10.14710/dilrev.8.2.2023.175-189>.

⁴⁰ Salman Ahmed Shaikh, "Islamic Banking in Pakistan : A Critical Analysis," *Journal of Islamic Economics , Banking and Finance* 9, no. 2 (2013): 45–62, <https://doi.org/10.12816/0001601>.

considerations of justice, utility, and legal certainty.⁴¹ Similarly, Rofii's findings show that judicial decisions often integrate statutory law, Islamic legal sources, and *maqāṣid al-shari'ah* to ensure that rulings remain both procedurally simple and substantively accountable.⁴²

The development of judicial practice in resolving Islamic Economic Disputes demonstrates a cautious approach. Courts open avenues for procedural accessibility through simplified mechanisms while simultaneously maintaining legal certainty when collateral does not involve registered mortgage rights. This tension is visible in non-mortgage land collateral cases, where formal collateral structures are incomplete and judges rely on normative reasoning that combines positive law with *mu'amalah* principles. A reading grounded in *maṣlaḥah mursalah* frames procedural accessibility as a public good, as long as it does not undermine enforceability. Meanwhile, *saddu al-ẓari'ah* requires proportional safeguards at critical points such as collateral verification, clarity of repayment or sale clauses, and operative judicial orders. In this space, efficiency is not positioned as an independent objective but as the result of a careful calibration between reduced transaction burdens and controlled legal risks. Comparative insights from other jurisdictions show that the coherence of governance and the consistency of technical guidelines directly influence the predictability of judgments. Indonesia is on a similar trajectory, but still faces variations in judicial practice due to regulatory gaps and heavy caseloads. The lesson to be drawn is not to simply add more procedural layers, but to recalibrate the control points so that "simplicity" does not become synonymous with "leniency," and "certainty" does not turn into an obstacle to access. Achieving this equilibrium requires both doctrinal precision and sensitivity to case-specific realities.

Conclusion

This study reveals that judicial decisions in Indonesia's Religious Courts, particularly in the Sumenep case, reflect a procedural efficiency orientation that favors simplified mechanisms. Judges emphasize access to justice even when collateral is not based on registered mortgage rights, relying instead on the enforceability of contractual obligations under civil law. The decision of the Religious Court of Sumenep No. 1/Pdt.G.S/2020/PA.Smp recognizes non-mortgage collateral (*Non-Hak Tanggungan*) as a guarantee that can be enforced under the simplified claims procedure. This finding aligns with prior research highlighting regulatory gaps in secured transactions under Islamic law, which compel judges to adopt flexible reasoning in balancing principles of justice, utility, and certainty. The key finding of this study is that judicial practice has become adaptively oriented, expanding access to justice while leaving residual risks concerning creditor protection and legal certainty.

The main contribution of this study lies in mapping judicial reasoning in Islamic Economic Disputes and its normative implications for legal certainty and access to justice. While previous research has largely focused on theoretical aspects of sharia dispute resolution, few studies have examined judicial practice in depth through actual court rulings. This study enriches the literature by presenting empirical evidence from the Sumenep Religious Court's decision. The analysis shows that judges adopt adaptive reasoning in

⁴¹Nur Hidayah et al., "Sharia Banking Disputes Settlement: Analysis of Religious Court Decisions in Indonesia," *Al-Risalah: Forum Kajian Hukum Dan Sosial Kemasyarakatan* 23, no. 1 (2023): 75–92, <https://doi.org/10.30631/alrisalah.v23i1.1347>.

⁴²Ahmad Rofii, "WHITHER ISLAMIC LEGAL REASONING? The Law and Judicial Reasoning of The Religious Courts," *JOURNAL OF INDONESIAN ISLAM* 8, no. 2 (2014): 235, <https://doi.org/10.15642/JIIS.2014.8.2.235-262>.

interpreting Non-Mortgage Collateral guarantees, reflecting the interaction between statutory law, Islamic legal principles, and *maqāṣid al-shari'ah*. This provides a theoretical contribution to the development of Islamic economic jurisprudence. Practically, the study highlights the need for national technical guidelines and regulatory harmonization regarding collateral in sharia-based transactions. It therefore contributes both to the development of Islamic economic law theory and the strengthening of judicial practice in Religious Courts.

The research acknowledges several limitations to ensure a balanced interpretation of its findings. The analysis focuses only on one Religious Court decision, namely the Sumenep case No. 1/Pdt.G.S/2020/PA.Smp, which may not fully represent the diversity of judicial practices across Indonesia. Furthermore, the scarcity of academic literature on non-mortgage land collateral within Islamic legal frameworks limits the normative discussion, making the analysis highly dependent on judicial interpretation. Comparative studies in other jurisdictions indicate wider variations in Islamic Economic Dispute resolution, particularly in Asia and the Middle East, which are beyond the scope of this study. Future research with broader coverage and cross-jurisdictional comparisons is therefore necessary to enrich the analysis and provide stronger policy recommendations.

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