

## ABSTRACT

Adelia Asmawati, 10220015, 2014, **the Application of Sharia Principles on Sharia Microfinance Institutions of Barokah Sejahtera of Malang**, Thesis, Sharia Business Law Department, Sharia Faculty, the State Islamic University of Maulana Malik Ibrahim of Malang. Supervisor: Dr. Noer Yasin, M.H.I.

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**Key words: Implementation, sharia principles**

Today many institutions wear sharia labels to attract customers, this phenomenon has implications for the importance of surveillance in the management practices. One characteristic that distinguishes between sharia financial institutions and conventional financial institutions is the necessity of a sharia supervisory Board (DPS) at the sharia financial institution, following of the economy and the sharia banking development, the problem is how to synchronize between the provisions of the syara' proposition and the reality of daily implementation.

In this research, the formulations of the problem are: 1) how is the determination of the Sharia Supervisory Board (DPS) in *LKM Syariah* of Barokah Sejahtera of Malang? 2) Does the practices in *LKM Syariah* of Barokah Sejahtera of Malang is in conformity with the Islamic Sharia principles? This research aims to determine the establishment of Sharia Supervisory Board (DPS) in *LKM Syariah* of Barokah Sejahtera of Malang and to determine the suitability of Sharia principles in *LKM Syariah* of Barokah Sejahtera of Malang.

This research is classified as empirical research, because this research emphasizes on the field practice. The research approach is a descriptive analysis approach. After the data are collected, compiled, interpreted, and analyzed to obtain a complete and clear overview of the problem so it can be concluded. In this research the data analysis method used is qualitative data analysis.

Based on the research results, the determination of the Sharia Supervisory Board (DPS) on *LKM Syariah* of Barokah Sejahtera of Malang is in conformity with the DSN-MUI fatwa. Although the organizational structure of their Advisory Board is not mentioned Sharia Supervisory Board. In terms of deposit and financing products, *LKM Syariah* of Barokah Sejahtera of Malang is in conformity with the principles of sharia in the DSN-MUI fatwa, because in operation they have to apply the basics of Islamic economics and financing of the deposit products.