

FROM COMPLIANCE TO BENEFIT: SHARIA ACCOUNTING PRACTICES AT BMT NU TEMAYANG

Ulfatul Khasanah

Sekolah Tinggi Ekonomi Islam Permata Bojonegoro

Email: misulfauzi@gmail.com

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***Correspondence Address:**

misulfauzi@gmail.com

Abstract: This study aims to examine the shift in the This study was conducted through a qualitative approach with a case study design at Baitul Maal wat Tamwil (BMT) NU Temayang, Bojonegoro Regency, which represents a financial institution based on Nahdlatul Ulama's socio-religious values. Data collection was conducted through in-depth semi-structured interviews with managers, accounting staff, the Sharia Supervisory Board, and BMT members, supplemented by participant observation and document analysis in the form of financial reports and social reports. The data analysis process used thematic analysis with a maqashid sharia framework, through the stages of data reduction, data presentation, and conclusion drawing. The results of the study identified three main themes, namely: (1) the meaning of compliance with PSAK Sharia as a form of religious mandate; (2) the function of accounting as a means of establishing justice and social trust; and (3) welfare as the final orientation in sharia financial practices. These findings indicate that sharia accounting practices at BMT NU Temayang are not limited to administrative activities, but rather serve as social and spiritual practices that reflect moral responsibility to Allah SWT, humanity, and the community. From a theoretical perspective, this research enriches the development of Shariah Enterprise Theory by emphasizing the concept of maqashid-based accountability.

INTRODUCTION

The development of the Islamic financial system over the past two decades has shown an increasingly significant trend, both globally and nationally. Islamic Finance Development Indicator ((IFDI, 2023)) reported that the total assets of the global Islamic finance industry have exceeded USD 3.2 trillion, with significant growth in the microfinance sector. In Indonesia, Baitul Maal wat Tamwil (BMT) is present as a Sharia microfinance institution that plays a strategic role in encouraging community economic empowerment, particularly in rural areas. The uniqueness of BMT lies in its ability to integrate social functions (baitul maal) and business functions (baitut tamwil) within a single institution based on Islamic values ((Hartog, 2017)). However, the practice of sharia accounting in BMT is still faced with a dilemma between fulfilling compliance with the Sharia PSAK and realizing the substantive goal of public welfare.

Conceptually, sharia accounting is built on the principles of justice, transparency, and accountability, which align with the objectives of the maqasid (obligatory principles) of sharia. However, various studies show that in practice, many BMTs place more emphasis on formal compliance with sharia accounting regulations than on integrating social values and

welfare into their accounting systems.(Ramsito, 2024)Initial findings at BMT NU Temayang show that financial recording and reporting activities tend to be oriented towards fulfilling Sharia PSAK 101–109, while the economic empowerment dimension of members and the community has not been fully articulated in accounting practices. This condition indicates a tension between the demands of regulatory compliance and the goal of public welfare, which is the core of the maqashid sharia.

From a social perspective, accounting in community-based financial institutions is not merely understood as a technical activity, but rather as a representation of the collective values, norms, and morals that exist within the organization. As part of the Nahdlatul Ulama ecosystem, BMT NU Temayang carries a strong social mission to achieve economic justice and community empowerment.Kwairumaratu & Sartini, 2019 emphasizes that sharia accounting should transcend the normative compliance paradigm and be positioned as a value-based instrument that connects spiritual, social, and economic aspects. Therefore, understanding sharia accounting practices needs to be directed at how BMT actors interpret and implement these values in their local context.

Academic studies on the implementation of sharia accounting in microfinance institutions have so far been dominated by research that emphasizes technical compliance with Sharia PSAK.(Ridwan, 2014).This focus leaves a research gap, as few studies have examined Islamic accounting practices from the perspective of the meanings, experiences, and interpretive processes of actors at the micro level. In this context, a qualitative approach with an interpretive and phenomenological paradigm is crucial for uncovering how the value of welfare is constructed and realized through everyday accounting practices within specific social and cultural environments.(Hadi, 2023).

Based on this background, this study aims to explore in-depth the sharia accounting practices implemented at BMT NU Temayang, emphasizing a shift in orientation from administrative compliance to the creation of public welfare. This research is expected to provide theoretical contributions to the development of maqashid-based sharia accounting, as well as practical contributions to BMT management to be more consistent with Islamic social and spiritual goals. Thus, accounting is positioned not only as an instrument for recording financial transactions, but also as a strategic tool for achieving a balance between sharia compliance and the welfare of the community.

Based on the background presented, this study aims to address several key issues related to sharia accounting practices at BMT NU Temayang. First, how do BMT NU Temayang practitioners interpret the concept of compliance with sharia accounting principles in their daily operations? Second, how do BMT managers interpret and reflect on harmonizing the demands of compliance with Sharia Financial Accounting Standards (PSAK) with the focus on the welfare of the community? Third, how are the values of maqashid sharia articulated and implemented contextually in BMT decision-making and financial reporting? These research questions serve as the primary basis for exploring the experiences, perspectives, and practices of institutional actors through an interpretive qualitative approach.

In line with the focus of the problem, this study aims to comprehensively explore the practice of sharia accounting in BMT NU Temayang as a social practice that is oriented towards welfare, and not solely focused on administrative compliance. In more detail, the objectives of this study are to: (1) examine how the concept of compliance with sharia accounting is reinterpreted by BMT actors within the framework of Nahdlatul Ulama culture and values, (2) explain the role of accounting practices as a value instrument in strengthening the social and economic justice of members, and (3) analyze how maqashid sharia is

integrated into the financial reporting system and economic decision-making process. A qualitative approach with an interpretive paradigm is considered appropriate because it allows researchers to understand the subjective meaning and social construction that underlies the economic practices of BMT actors.

From a theoretical perspective, this study contributes to the development of maqashid-based Islamic accounting studies by emphasizing that accounting practices in microfinance institutions are not only shaped by regulatory frameworks but also influenced by the social, religious, and cultural values of the communities in which they operate. This study expands the discourse on accounting as a socially constructed practice, particularly in the context of Nusantara Islam, which integrates dimensions of spirituality, welfare, and local wisdom in accounting practices.(Ramsito, 2024).

Practically, the findings of this study are expected to serve as a reference for BMT managers, regulators, and academics in evaluating and developing a more welfare-oriented Islamic financial reporting paradigm. For BMT NU Temayang, the results of this study can serve as a basis for designing and strengthening an accounting system that not only meets financial accountability but also responds to social needs and reflects the Islamic values imbued within the community. More broadly, this research is expected to inspire other Islamic microfinance institutions in developing contextual, inclusive, and welfare-oriented accounting practices.

Literature review

Basic Concepts of Islamic Accounting

Sharia accounting is understood as a system of financial recording and reporting that is based on Islamic principles, with an orientation not only on the accuracy of financial information, but also on achieving justice and social welfare in line with the objectives of maqashid sharia.(Mughni, 2019) revealed that sharia accounting practices in Indonesia are still dominated by a compliance approach to Sharia PSAK, while the internalization of spiritual and social values has not been optimally realized. This condition creates a gap between formal and substantive aspects, where accounting is positioned more as an administrative activity than as a means of upholding justice and economic balance. In the context of Baitul Maal wat Tamwil (BMT), sharia accounting should reflect comprehensive accountability to Allah SWT, society, and the environment, as emphasized in the framework of Sharia Enterprise Theory (SET).

Maqashid Syariah as a Value Paradigm

Maqashid sharia emphasizes that all Islamic economic activities, including accounting practices, must be directed towards protecting the five main objectives of sharia, namely religion (din), soul (nafs), reason (aql), descendants (nasl), and property (maal).Habibah & Nikmah, 2017states that maqashid sharia serves as the primary indicator in assessing the success of Islamic financial institutions in creating welfare, rather than simply pursuing profit. Integrating maqashid into accounting demands transparency, accountability, and a fair distribution of value to all stakeholders. However, the implementation of this paradigm still faces various obstacles, including limited managerial understanding of maqashid indicators and the suboptimal integration of spiritual values into accounting policies and practices at microfinance institutions such as BMTs.

Shariah Enterprise Theory (SET)

Shariah Enterprise Theory (SET), is the main theoretical basis in this study because it views business entities as a mandate from Allah SWT that aims to create a balance between the interests of capital owners, society, and environmental sustainability. SET is a development of stakeholder theory and legitimacy theory by incorporating a transcendental dimension, so that the entity's responsibility is not limited to merely economic aspects. Within the BMT framework, SET positions Islamic microfinance institutions not only as financial service providers, but also as moral agents with an obligation to maintain the social and spiritual sustainability of the communities they serve.

BMT as a Social and Commercial Entity

Baitul Maal wat Tamwil is a sharia microfinance institution that carries out two main functions simultaneously, namely managing social funds through Baitul Maal and financing productive businesses through Baitul Tamwil. Hartog, 2017 explains that BMTs have a strategic position in strengthening the community's economy because they are able to integrate social and commercial interests through financing mechanisms based on Islamic values. However, various empirical findings indicate that many BMTs still experience difficulties in converting formal compliance with Sharia PSAK into tangible benefits for members and the surrounding community. This underscores the need for an accounting approach that emphasizes the dimension of value interpretation rather than merely procedural compliance.

Theoretical Gaps and Conceptual Framework

Literature review shows that there is a gap between the compliance-based accounting approach and the value-based accounting approach. Habibah & Nikmah, 2017 found that most research on sharia accounting in BMT still focuses on regulatory compliance, while studies exploring the practical meaning and social experiences of the actors are relatively limited. Therefore, this study adopts a qualitative approach with a Shariah Enterprise Theory perspective to explore the process of internalizing the maqashid sharia values in the accounting practices of BMT NU Temayang. Theoretically, this study seeks to broaden the understanding of sharia accounting as a value-laden social practice. While practically, the research findings are expected to serve as a reference in the development of accounting models and standards that are more oriented towards the welfare of the community.

RESEARCH METHODOLOGY

This research applies qualitative approach with case study design To comprehensively explore the sharia accounting practices implemented at BMT NU Temayang from the perspective of maqashid sharia. The case study design was chosen because it provides space for in-depth analysis of contextual phenomena, particularly those related to the social, economic, and religious dynamics within sharia microfinance institutions. (Hidayat, 2013) This approach is in line with the research objectives which emphasize understanding the meaning, values, and social processes that underlie accounting practices, not merely as a form of compliance with formal standards, but as an instrument for creating the benefit and welfare of members.

The research was conducted at BMT NU Temayang, Bojonegoro Regency, East Java, between September and November 2024. The research informants consisted of BMT managers, accounting and finance staff, the Sharia Supervisory Board, and active BMT members. Informants were selected using purposive sampling, taking into account their position, experience, and direct involvement in the financial recording, reporting, and

decision-making processes. In certain situations, snowball sampling was used to reach additional informants deemed to have relevant information based on recommendations from the initial informants. (Kwairumaratu & Sartini, 2019) Data collection was conducted through semi-structured in-depth interviews, participatory observation of operational activities and social reporting, and documentation studies covering financial reports, social reports, and minutes of Sharia Supervisory Board meetings.

Data analysis was conducted using thematic analysis based on the maqashid sharia framework, through the stages of data reduction, data presentation, and conclusion drawing as outlined in the interactive model of Miles and Huberman (2014). Data validity was maintained through the application of source and method triangulation, member checking of informants to ensure the accuracy of the researcher's interpretation, and the preparation of an audit trail as a systematic documentation of the entire research process. The analysis process was carried out iteratively and reflectively by linking empirical findings and theoretical foundations to identify patterns of meaning that represent the BMT's orientation towards welfare and the balance between spiritual and socio-economic dimensions. This approach is expected to strengthen the theoretical contribution in the development of the Sharia Enterprise Theory paradigm based on maqashid sharia, while providing practical implications for improving the BMT social reporting system in Indonesia.

Research result

The research findings reveal that accounting practices at BMT NU Temayang are not solely directed at fulfilling formal standards such as PSAK Syariah, but are also strongly oriented towards the values of welfare and social justice. The results of in-depth interview analysis, participant observation, and document review produced three main themes, namely: (1) compliance interpreted as a religious mandate, (2) accounting as a mechanism for maintaining justice and member trust, and (3) welfare as the ultimate goal of sharia financial practices.

The first theme, compliance as a religious mandate, demonstrates that BMT managers understand compliance with Sharia Standards as a form of spiritual responsibility, not merely an administrative obligation. This compliance is positioned as part of worship and a form of accountability to Allah SWT. One informant emphasized that financial recording is carried out in accordance with Sharia principles not due to audit pressure, but rather due to the religious conviction inherent in daily work activities. This interpretation reflects the integration of the values of *hifz al-din* (protection of religion) and *hifz al-mal* (protection of wealth) in BMT accounting practices.

The second theme, accounting as a means of justice and trust, emphasizes the role of financial reporting as an instrument of transparency and accountability between managers and members. Reporting practices at BMT NU Temayang extend beyond conventional financial reporting to include reporting on social activities such as managing zakat (alms) and infaq (donation) funds, as well as productive financing for small members. This approach demonstrates that accounting is utilized to maintain social sustainability and improve member welfare, in line with the principles of *hifz al-nafs* (social welfare) and *hifz al-nasl* (social welfare). Internal BMT documents demonstrate the existence of special reports related to welfare activities that complement periodic financial reports, thus broadening the meaning of sharia accountability.

The third theme, "benefit as the ultimate goal," emphasizes a shift from formal compliance to achieving the substance of the maqashid sharia. The Sharia Supervisory Board emphasizes that the success of a BMT is measured not only by profit levels, but also by the extent to

which the institution is able to provide tangible benefits to its members and the surrounding community. This demonstrates that accounting at BMT NU Temayang functions as a social practice that strengthens economic solidarity and blessings at the community level, not simply as a financial record-keeping system.

Discussion

The results of this study align with the Shariah Enterprise Theory (SET), which positions Islamic accounting as a value system that seeks to maintain a balanced relationship between God, humans, and nature. In the practice of BMT NU Temayang, the SET principle is reflected through the integration of religious and social dimensions within the accounting system, where financial reporting is not only directed at regulatory compliance but also serves as a means of fostering morality and social responsibility. These findings reinforce the view that Islamic accounting is a socially constructed practice influenced by local spiritual and cultural values.

This study also confirms previous findings that position maqashid sharia as an ethical framework in the governance of Islamic financial institutions. However, this study's contribution lies in its empirical explanation of how maqashid sharia is implemented in the context of community-based microfinance institutions, specifically BMT NU Temayang, which is rooted in Nahdlatul Ulama culture. These findings confirm that the implementation of maqashid sharia is contextual and influenced by the socio-cultural dynamics in which Islamic values are practiced.

Furthermore, the research results indicate a transformation in the orientation of Islamic accounting, from a compliance-based approach to a welfare-based approach. This transformation reflects a paradigm shift from normative accounting to substantive accounting, which places justice and social welfare as the primary indicators of institutional success. Theoretically, these findings broaden the scope of Shariah Enterprise Theory toward maqashid-based accountability, where welfare becomes the primary benchmark for the performance of Islamic financial institutions.

From a practical perspective, this study emphasizes the importance of strengthening the capacity of BMT managers through training that emphasizes the integration of maqashid sharia values into accounting practices. This approach has the potential to enhance social accountability and strengthen public trust in Islamic microfinance institutions. Meanwhile, academically, the findings of this study open up opportunities for the development of a maqashid-based accounting model that is more applicable, contextual, and relevant to the characteristics of the Islamic economy in Indonesia.

CONCLUSION

This study confirms that sharia accounting practices at BMT NU Temayang demonstrate a transformation in meaning and orientation, from an approach focused on formal compliance with PSAK Sharia to accounting practices based on maqashid sharia and oriented towards the welfare of members and the community. Accounting is no longer positioned merely as an administrative tool, but is understood as a social and spiritual practice that represents moral responsibility to Allah SWT, humans, and the social environment. The research findings indicate that the values of religious obedience, economic justice, and social welfare are the main foundations in the process of recording, reporting, and financial decision-making at BMT NU Temayang.

Theoretically, this research enriches the development of Shariah Enterprise Theory (SET) by emphasizing the concept of maqashid-based accountability, a form of

accountability that integrates spiritual, social, and economic dimensions within a sharia accounting framework. The results of this study reinforce the view that sharia accounting functions not only as a technical system for financial reporting but also as an ethical mechanism that bridges the relationship between financial institutions, society, and divine values. Thus, this research contributes to strengthening the paradigm of value-based Islamic accounting that is more contextual and relevant to social realities.

From a practical perspective, the research findings provide important implications for BMT managers and the Sharia Supervisory Board (SSB) to develop accounting systems that are not limited to normative compliance but also reflect the values of social justice and public welfare. For regulators, the results of this study demonstrate the need to develop more adaptive and maqashid-oriented sharia accounting standards, particularly for Islamic microfinance institutions. Furthermore, strengthening maqashid-based training for BMT managers is considered crucial for fostering a culture of accountability and spirituality in Islamic financial governance at the community level. From a policy and academic perspective, this study recommends that educational institutions and Islamic accounting associations integrate the maqashid sharia approach into their sharia accounting curricula and research agendas. This approach is expected to produce accountants who possess not only technical competence but also ethical sensitivity and a vision of public welfare in their professional practice.

The limitations of this study lie in the use of a single-case study design and the limited observation duration, making the findings unable to be broadly generalized to all BMTs in Indonesia. Therefore, further research is recommended to conduct comparative studies across BMTs in various regions or combine mixed methods approaches to deepen understanding of the dynamics of the application of maqasid sharia in sharia accounting practices.

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