

CHAPTER V

CONCLUSIONS AND RECOMMENDATION

A. Conclusions

Based on the previous elaboration and discussion it could be concluded:

1. The role of Financial Service Authority (FSA) in Supervising *Baitul Maal wat Tamwil* (BMT) can be done in way of settings, controlling and guidance.
 - a. The guidance and supervision of microfinance institutions are regulated law no. 21 of 2011 on the Financial Services Authority and also in Financial Services Authority regulations No. 14/POJK.05/2014.
 - b. As described in the Regulation of Financial Services Authority 14/POJK.05/2014 on the guidance and supervision, the FSA conduct coordination with the Ministry of Cooperative and the Ministry of Internal Affairs. Then they delegate the task to oversee the Micro Financial Institutions to the district or city where the microfinance institution is located.
 - c. FSA also makes some of the rules governing consumer protection or the protection of people who use services of microfinance institution such as BMT, as the Board of Commissioners Circular Letter No.2/SEDK.07/2015 on guidelines for the monitoring and analysis of consumer protection in the financial services sector, Regulatory

authorities financial services number 1/POJK.07/2013 on consumer protection financial services sector.

2. The effort of Financial service Authority (FSA) to protect the consumer in *Baitul Maal wat Tamwil* (BMT) can be divided into two:

- a. Preventive protection.

In preventive protection the public are given the opportunity to raise objection or opinions before the government's decision received a definitive form. The law should protect the customer as the subjective conditions that must be created for the continued existence of the customers.

- b. Repressive protection.

Solving problems or disputes arising preventive Legal protection is great significance for the government which is based on freedom of action due to the absence of legal protection preventive, compelled the government to be cautious in making decisions based on discretion. This Repressive protection can also be divided into two:

- 1) Inside the court :

- a) Solve the dispute of customer protection as the civil case.
 - b) Solve the dispute of customer protection as the criminal case.

- 2) Outside the court :

The solution to solve the problem of dispute of customer protection outside the court can be solved in Islamic Arbitration Body. Because Islamic Microfinance Institutions is one of the Financial Institutions based on sharia dispute resolution of consumer complaints made through National Sharia Arbitration Body or BASYARNAS.

B. Recommendations

1. In the Financial Services Authority Regulation 14/POJK.05/2014, it is not described in detail what is the others institution that are eligible to receive a delegation from the FSA in city if the government in that city/district not ready to accept the task of FSA to overseeing BMT. It is better if Financial Service Authority (FSA) to explain in more detail related to this regulation.
2. Some BMT legal entities in Indonesia are still unclear thus making people feel hesitant to use the services of BMT. So it is a must for BMT to have the clear legal entity to make the customer more interest to use BMT.