EXPANDING A FORMAL ROLE FOR ISLAMIC LAW IN THE INDONESIAN LEGAL SYSTEM: THE CASE OF 
*MU’AMALAT* 

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**ABSTRACT**  

This paper tries to identify a more formalistic approach to expanding Islamic law in Indonesia. It focuses on one aspect of Islamic law, i.e., *mu’amalat*, especially banking regulation. The expansion is necessary if it is observed from the classification of legal norms perspective. The classification of legal norms suggests that there is still a lack of concrete norms with regard to banking regulations in Indonesia. This is because standard contracts which are used by *Shariah* banks have not been regulated or standardized. Meanwhile, the existence of standard contracts is important to realize the abstract norm of *mu’amalat*, namely *maslahah* (public good). In this context, the *maslahat* is the ability of *Shariah* banking to contribute significantly to the development of economy in Indonesia. Thus, expanding a formal role for Islamic law, by transforming the law of contracts in *mu’amalat* into standard contracts, within the banking regulatory system of Indonesia, is necessary. And this should be done by the *Fatwa Committee of Shariah Banking* consisting of joint members of the National Board of *Shariah* and the Central Bank of Indonesia.

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