

The Contribution of Islamic Banks to the Development of MSMEs Following the Implementation of the Islamic Financial Institutions Qanun

Isnaliana^{1*}, Dara Amanatillah², Jalilah³, Inayatillah⁴
^{1,2,3,4} Faculty of Islamic Economics and Business, UIN AR-Raniry
Banda Aceh, Indonesia

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Corresponding Author:
Isnaliana
Email:
isnaliana@ar-raniry.ac.id

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ABSTRACT

Introduction: The purpose of this research is to compare the contributions of Bank Aceh and BSI in supporting the development of the MSME sector in Banda Aceh city after the enactment of Qanun LKS No. 11 of 2018.

Methods: The method used in this research is comparative qualitative with data collection techniques including observation, interviews, and documentation. The subjects of this research are Bank Aceh, BSI, and several MSME actors.

Results: The research results show that the contribution of Bank Aceh, in terms of capital, human resource development, and marketing aspects in supporting the development of the MSME sector in Banda Aceh, has been running well and in accordance with the provisions of Qanun Article 5, although it has not fully accommodated all aspects. Additionally, the capital aspect has not met the financing ratio as mandated by Qanun LKS No. 11 of 2018 Article 14. Meanwhile, BSI has exceeded the target ratio for the capital aspect as mandated by the qanun.

Conclusion and suggestion: Two other aspects have been running well and are in line with the provisions of Article 5 of the qanun.

Keywords: Capital, Human Resource Development, Marketing

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INTRODUCTION

The development of Micro, Small, and Medium Enterprises (MSMEs) in Banda Aceh has experienced a remarkable and consistent increase in recent years. This upward trend is highly encouraging and presents significant potential for positioning MSMEs as a key sector in advancing market-based industries. Nevertheless, this sector continues to face persistent challenges, particularly in terms of capital access, the quality of human resources, and marketing capabilities. The establishment of *Mahirah Muamalah* represents a proactive initiative by the government to provide financing through Islamic microfinance institutions. However, the funding capacity of this initiative remains limited and insufficient to meet the overall financing needs of MSMEs, especially when compared to the resources available in Islamic commercial banks. In this context, the merger of three state-owned Islamic banks—Bank Syariah Mandiri, Bank Rakyat Indonesia Syariah, and Bank Negara Indonesia Syariah—into Bank Syariah Indonesia (BSI) represents a promising opportunity for MSME financing. This consolidation creates opportunities for broader access to capital and tailored financial services for the MSME sector. Although Bank Aceh, as a regional development bank, has consistently supported MSMEs, its efforts have not fully addressed the sector's needs in terms of capital provision, human resource development, and marketing support.

As a region with special autonomy, Aceh has taken a significant step toward strengthening its Islamic economic system through the enactment of Qanun No. 11 of 2018 on Islamic Financial Institutions. This regulation marks an important milestone in the development of Islamic finance in Aceh, providing opportunities for Islamic financial institutions to serve as key intermediaries in supporting the economic ecosystem. The implementation of this Qanun positions Aceh as a region with strong potential to establish a comprehensive halal industry value chain, integrated into various aspects of economic and social life (*muamalah*). Ernayani (2024), The role of Islamic banking in encouraging the development of MSMEs in Indonesia, shows how Islamic-based financing can strengthen the microeconomic sector and contribute to national economic growth. Ahyar et.al (2025) also mentioned Islamic banking in improving access to financing and financial inclusion for MSMEs, including strategic issues related to sustainable financing distribution.

The growth of MSMEs, in this context, becomes a strategic instrument for expanding employment opportunities and fostering inclusive economic development. However, this growth must be supported by all relevant sectors, particularly financial institutions. The implementation of Qanun No. 11 of 2018 has transformed all banking operations in Aceh into a fully Shariah-compliant system, creating a conducive environment for MSME growth—provided that financial institutions take proactive measures to improve access to financing, invest in human capital development, and offer training programs aimed at strengthening marketing and business skills. The enactment of the Qanun on Islamic Financial Institutions (LKS) has significantly expanded public access to financial services through Islamic financial intermediaries. Article 4 of the Qanun explicitly states that the purpose of establishing LKS is to strengthen the implementation of Islamic economic development in Aceh. This initiative is aimed at creating a Shariah-based economic system for the people of Aceh, serving as a driver of regional economic growth, expanding access to financing for community enterprises, supporting economic empowerment and productivity, and ultimately contributing to increased income and overall welfare. Mahera et al (2025) in his study stated the importance of Islamic financial inclusion in empowering micro-enterprises, particularly in remote areas. The findings highlight factors influencing the ability of Islamic financial institutions to expand access to capital, relevant to the challenges faced by MSMEs in Banda Aceh.

Given this mandate, Islamic financial institutions—particularly Islamic banks in Aceh—are well-positioned to play a central role in achieving these objectives, particularly in supporting the growth of the MSME sector. The broadening of access to Islamic financial services is expected to accelerate MSME development through financing support. One key policy target is achieving a higher financing-to-MSME ratio as part of efforts to strengthen Aceh's economic development. Accordingly, Islamic banks are required to gradually meet financing ratio targets—at least 30% by the end of 2020 and 40% by the end of 2022. These targets are

especially relevant given the steady year-on-year increase in the number of MSMEs in Aceh, underscoring the sector's potential as a driver of inclusive and sustainable economic growth.

In this context, MSME development serves as a strategic instrument for job creation and inclusive economic progress. However, this growth must be supported by coordinated efforts across sectors, particularly financial institutions, which are expected to facilitate access to capital, invest in capacity building for entrepreneurs, and provide marketing and business development training. The full implementation of a Shariah-compliant banking system in Aceh therefore offers both a challenge and an opportunity to ensure that MSMEs can thrive and contribute meaningfully to the region's economic transformation. Based on the above discussion, examining the contribution of Islamic banks in supporting the development of the MSME sector in Banda Aceh following the enactment of Qanun No. 11 of 2018 on Islamic Financial Institutions becomes a significant and timely area of study. MSMEs represent one of the most promising sectors in terms of economic potential and overall societal benefit. Therefore, their development requires the active support of multiple stakeholders, particularly Islamic financial institutions-most notably Islamic banks-which function as intermediaries between surplus and deficit units within the economy

LITERATURE REVIEW

This study draws upon a range of theoretical concepts and previous research relevant to the topic. According to Ismail (2017), *contribution* can be understood as tangible support in the form of concrete actions, whether through financial resources, ideas, labor, materials, or any other form of assistance that helps ensure the success of planned activities. In the context of this research, the focus is on the contribution of Islamic banks. As financial intermediaries, Islamic banks mobilize funds from the public and redistribute them in the form of financing. Their contribution plays a pivotal role in accelerating the development and growth of the MSME sector, particularly through three key dimensions: capital, human resource development, and marketing. To measure the contribution of Islamic banks in this study, three main indicators are employed:

Capital (Financing) Aspect

Capital is one of the most critical factors in a company's operations. Brigham and Houston (2006) define capital as the sum of long-term debt, preferred stock, and common equity, or these components plus interest-bearing short-term debt. Similarly, the Indonesian Institute of Accountants (IAI, 2007) views capital as the residual interest in a company's assets after deducting liabilities. Riyanto (2001) further explains that capital represents the result of production that can be reinvested to generate future production. Over time, the concept of capital has been emphasized not only as value but also as purchasing power or as a collective of capital goods. Capital goods, in this sense, include all assets within a company that serve productive functions to generate income. Meij (in Riyanto, 2001) defines capital as all goods owned by a company that can collectively generate income. Gitman and Zutter (2015) add that capital may also take the form of loans with a specified term that must be repaid by the company. Antonio (2013) distinguishes between two main types of financing: **working capital financing**, which is intended to meet production needs either quantitatively (increasing production volume) or qualitatively (improving product quality), and **investment financing**, which is aimed at acquiring capital goods and facilities that support production.

Human Resource Development Aspect

In addition to capital, human resource (HR) development is another crucial dimension in assessing the contribution of Islamic banks to MSME growth. Human resources represent the primary production factor that determines a nation's prosperity. Susan (2019) defines HR as individuals who function as the driving force of an organization and are assets that must be trained and developed to enhance their skills. The presence of skilled human resources plays an essential role in the success of any organization, as they form the central element of all

organizational activities. Ike (2007) highlights that HR is central to all organizational activities and serves as a source of competitive advantage through innovation, goal alignment, and strategy execution. Similarly, Frenc (in Rahmawati, 2008) asserts that human resources are one of the most vital elements for organizational success. These definitions imply that HR plays a significant role in achieving corporate objectives, such as profit growth and asset development. Therefore, effective HR management, motivation, and development are essential to ensure employees perform optimally and contribute to organizational goals.

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Marketing Aspect

Marketing plays a crucial role in achieving a company's target sales volume, which reflects the success of marketing efforts in introducing products to consumers (Swastha & Irawan, 2005). The central concept of marketing is to satisfy consumer needs while generating profit, which differs from the sales concept that focuses primarily on the company's objectives. Swastha and Irawan (2005) also emphasize that developing businesses require comprehensive management across multiple areas, including strategic management, human resources, production, and marketing. Without proper management, businesses risk inefficiency and disorganization. In marketing management, three key elements are identified: (1) consumer orientation, (2) comprehensive planning of marketing activities, and (3) effective implementation to ensure products reach their intended market segments. This study is also informed by several prior works that examine the relationship between microfinance and MSME development. Rahmi et al. (2022) conducted a study on the role of microfinancing in increasing MSME income at PT Bank Aceh Syariah. Their findings showed that microfinancing—measured by indicators such as capital, mentoring, and monitoring—positively impacted MSME growth in Aceh Barat Daya. However, mentoring and monitoring activities were found to be less than optimal. This study shares the same research object, namely MSMEs, but differs in that it specifically explores the role of Islamic banks under Qanun No. 11 of 2018.

Imroah (2019) examined the role of microfinancing in developing MSMEs at BRI Syariah KCP Metro. The results indicated that microfinancing had a limited impact on income growth for some MSME borrowers, as their income levels remained stagnant despite receiving financing. While this research also focuses on MSMEs, the present study differs by investigating the mandated role of Islamic banks as outlined in Qanun No. 11 of 2018, which aims to improve the welfare of micro-entrepreneurs in Aceh. Siska (2019) analyzed the effect of microfinance on MSME development at BRI Syariah Medan Branch and concluded that microfinance distribution significantly contributed to MSME growth. Building on this, the present research employs a qualitative approach to provide a more comprehensive and in-depth assessment of Islamic banks' contributions to MSME development in Banda Aceh following the enactment of Qanun No. 11 of 2018. It uses multiple indicators—capital, HR development, and marketing—to measure these contributions.

METHOD

This study adopts a field research design with a comparative qualitative approach, which involves comparing one Islamic bank with another. The data utilized in this study consist of both primary and secondary sources. Primary data serve as the main source and were obtained through in-depth interviews, while secondary data were collected as supporting evidence from documentation, including official websites of Islamic banks, the Office of Cooperatives and MSMEs, as well as literature reviews from books, scholarly articles, theses, and dissertations relevant to the topic. The subjects of this research include Bank Aceh, as the only regional Islamic commercial bank, Bank Syariah Indonesia (BSI), as the leading national Islamic commercial bank, and MSMEs in Banda Aceh that are directly affected by the implementation of Qanun No. 11 of 2018 on Islamic Financial Institutions.

RESULT AND ANALYSIS

In order to assess the contribution of Islamic banks to the development of MSMEs after the implementation of Qanun No. 11 of 2018 concerning Islamic Financial Institutions, this study employs three indicators: capital provision, human resource development, and marketing support. The findings are elaborated as follows.

Capital Asset

The transformation of Bank Aceh into a Regional Sharia Commercial Bank has positioned it as a key financial institution in supporting Aceh's economic ecosystem, particularly in the post-enactment period of Qanun LKS No. 11 of 2018. The presence of Bank Aceh carries significant implications for regional development, as it is expected to serve not only as an intermediary institution but also as a catalyst for the empowerment of micro, small, and medium-sized enterprises (MSMEs)-a sector that dominates Banda Aceh's economic structure. One of the primary instruments for MSME empowerment offered by Bank Aceh is the *Pembiayaan Mikro Bank Aceh* (PMBA) IB, a collaborative financing scheme between Bank Aceh, Asbanda, and SBFIC. This facility targets micro and small entrepreneurs requiring working capital or expansion funding, thereby addressing a critical barrier to MSME growth-limited access to capital (Interview with Bank Aceh Syariah, 2023). In addition to PMBA IB, Bank Aceh provides complementary schemes such as retail financing, warehouse receipt system (SRG) financing, and sharia-based Kredit Usaha Rakyat (KUR). Empirical data indicate that MSME financing by Bank Aceh has consistently grown year-on-year. In 2022, the total volume of MSME financing increased by 31% (YoY), with Banda Aceh specifically recording 11.17% growth. Nevertheless, the MSME financing ratio for Banda Aceh reached only 14.07% in 2022, which remains far below the 40% minimum threshold mandated under Article 14 of Qanun LKS No. 11 of 2018. This finding highlights a structural gap between regulatory expectations and actual institutional performance, suggesting that further strategic interventions are required.

While Bank Aceh has demonstrated compliance with its regulatory mandate under Article 5 of the Qanun, its current achievement of a 14.7% financing ratio underscores the need for a more robust, targeted strategy to accelerate progress toward the mandated 40% ratio, particularly as the region approaches the medium-term horizon of 2025. These findings reinforce the argument that a regional bank's role is not merely distributive but also developmental, requiring alignment between financing policies and Aceh's broader socio-economic agenda. In contrast, Bank Syariah Indonesia (BSI) has demonstrated stronger performance in fulfilling its obligations under the Qanun, with a significantly higher financing ratio and wider product outreach. BSI offers an array of MSME-supporting products, including Business Savings Accounts, EDC facilities, QRIS payment solutions, and BSI Smart Agent services. Its financing instruments-notably BSI KUR (Kredit Usaha Rakyat), SME financing, and wholesale financing-have been central to the development of MSMEs. Among these, KUR IB has emerged as a major driver of MSME growth (Interview with BSI, 2023). Data from BSI Regional Aceh indicate that, as of May 31, 2023, the MSME financing ratio reached 43.47%,

thereby surpassing the minimum regulatory requirement by 3.47%. The average annual growth in MSME financing stands at 8.63%, reflecting consistent expansion in BSI's outreach to MSMEs. Furthermore, BSI disbursed a cumulative IDR 5.6 trillion to 88,917 MSME clients over the past three years, signifying its proactive response to the Qanun mandate and its role in shaping a sharia-compliant financial landscape in Aceh.

These results not only confirm BSI's compliance with the Qanun's Article 14 target ratios-30% by 2020 and 40% by 2022-but also demonstrate its ability to exceed regulatory expectations. The achievement underscores BSI's strategic position as Indonesia's largest sharia commercial bank and its capacity to act as a driver of economic growth in Aceh. The findings of this study are consistent with previous scholarly work. Muttaqin et al. (2020) highlighted the strategic role of BSI's Ahmad Yani Branch in Bogor in promoting MSME resilience through KUR distribution, financial relief during the COVID-19 pandemic, and facilitation of financing processes. Similarly, Rosidi (2021) observed that while the contribution of sharia banking to MSME empowerment has been largely positive, it remains concentrated on capital financing. The study further recommended expanding bank engagement to include capacity-building initiatives, such as entrepreneurship training, which are crucial for enhancing MSME competitiveness in the long term. More recent studies reinforce this pattern. Rahman and Nurhasanah (2022) argue that Islamic banks in Indonesia have not yet fully optimized their intermediary and developmental function due to institutional rigidity and limited collaboration with external stakeholders. Linkewise, Suryani et al (2023) demonstrate that MSMEs receiving integrated support combining financing, training, and market access show significantly higher business sustainability than those receiving capital alone. This finding aligns with the Islamic economic principle of *maslahah*, which underscores holistic empowerment rather than purely financial intervention.

Collectively, these findings suggest that while both Bank Aceh and BSI contribute to MSME development, BSI exhibits a more systematic and scalable approach, particularly through its UMKM Center and early regulatory compliance following Qanun LKS No. 11 of 2018. Bank Aceh, by contrast, remains in a transitional phase, still grappling with institutional capacity, limited partnerships, and fragmented empowerment programs. As noted by Hidayat et al. (2024), regional Islamic banks require stronger strategic alignment, digital integration, and cross-sector collaboration to fully realize their developmental mandate under regional sharia financial regulations. Without such strategic reinforcement, the transformative objectives of Qanun LKS risk being reduced to formal compliance rather than substantive economic empowerment. Collectively, these findings suggest that while both Bank Aceh and BSI contribute to MSME development, BSI demonstrates a more effective and systematic approach, achieving regulatory compliance ahead of schedule and at a larger scale. Bank Aceh, by contrast, remains in a transitional stage, requiring a more aggressive strategy to align with Qanun LKS No. 11 of 2018 and fully realize its developmental mandate.

Human Capital Development Aspect

Beyond the capital aspect, human capital development represents a crucial dimension in evaluating the contribution of Bank Aceh and BSI to the growth of the MSME sector in Banda Aceh following the enactment of Qanun LKS No. 11 of 2018. Bank Aceh has taken proactive steps to ensure that its support for MSMEs extends beyond merely providing financial resources. The bank recognizes that sustainable MSME development requires capacity-building efforts that enhance entrepreneurial knowledge, business acumen, and management skills. Bank Aceh implements a structured training and mentoring program, targeting entrepreneurs at three distinct stages: prospective entrepreneurs preparing to start a business, newly established MSMEs, and already operational businesses seeking to scale (Interview with Bank Aceh Syariah, 2023). These capacity-building programs encompass fundamental business orientation, managerial training, and tailored mentoring designed to help entrepreneurs overcome operational challenges.

The training and mentoring activities are delivered both directly by Bank Aceh's account officers at branch and sub-branch levels and in collaboration with external partners,

including PLUT, Grameen Replika Aceh, Rumah Aspirasi UMKM, and other institutions with relevant expertise. This collaborative approach ensures that MSME participants receive specialized guidance in areas such as financial management, product development, and market access. Furthermore, Bank Aceh has established dedicated MSME display outlets (*gerai UMKM*), serving as physical platforms to showcase and promote high-potential local products, thereby fostering market linkages and enhancing competitiveness (Interview with Bank Aceh Syariah, 2023). These initiatives align with Bank Indonesia Regulation No. 14/22/PBI/2012, particularly Articles 7 and 8, which mandate technical assistance for MSME development through capacity-building programs and training. The consistency between Bank Aceh's initiatives and national regulatory directives reinforces the bank's role as a key driver in advancing MSME capacity in Aceh. While its MSME financing ratio has not yet reached the minimum threshold stipulated by Article 14 of Qanun LKS No. 11 of 2018, Bank Aceh has nonetheless made a significant contribution to strengthening the quality and productivity of MSME actors, fulfilling the Qanun's broader mandate under Article 5 — which emphasizes both financial intermediation and the empowerment of local economic actors.

In contrast, BSI has adopted a more institutionalized and large-scale approach to MSME capacity-building. A key initiative in this regard is the establishment of the BSI UMKM Center, the first of its kind in Indonesia, located in Aceh. The center functions as a comprehensive training and business development hub, offering hybrid (offline and online) training to ensure broad accessibility for MSME participants regardless of geographic location (Interview with BSI, 2023). The BSI UMKM Center is equipped with dedicated facilities, including a product display room, waiting area, meeting hall, and even a co-located coffee shop to encourage networking and collaboration among entrepreneurs. Training sessions are conducted on a regular basis and address a wide range of MSME needs, from business financing and cash flow management to quality improvement and market readiness. BSI's commitment to MSME empowerment is reflected in its diverse capacity-building programs, which include Structured training and coaching programs for MSMEs. Integrated mentoring and follow-up monitoring. Evaluation of training outcomes to ensure practical application. Entrepreneurial motivation and business development initiatives. Support for the creation and expansion of the national halal ecosystem. Assistance for MSMEs to “move up the value chain” and compete at the national and international levels.

A particularly strategic initiative undertaken by BSI is its Halal Readiness Program, which helps MSMEs prepare for halal certification. This program is aligned with Indonesia's *Halal Product Assurance Law* (Law No. 33 of 2014) and Aceh's Qanun No. 8 of 2016 on the Halal Product Assurance System. The program provides pre-certification guidance to MSMEs, enabling them to meet halal standards before formal certification. This initiative also aligns with the National Sharia Economy and Finance Committee's (KNEKS) 2020–2024 Work Plan, which seeks to foster collaboration among halal industry stakeholders to strengthen Indonesia's position as a global halal hub. The above discussion is strongly supported by recent empirical studies emphasizing the importance of a holistic approach by Islamic banks in strengthening MSMEs, particularly through the integration of halal readiness, human capital development, and ecosystem-based support. Hassan, Ali, and Rahman (2022) demonstrate that halal readiness programs accompanied by pre-certification mentoring significantly enhance MSMEs' compliance with halal standards and improve market trust. Their findings underline that the involvement of Islamic financial institutions in the halal ecosystem not only accelerates certification processes but also strengthens MSME competitiveness in both national and global markets. This evidence aligns closely with BSI's Halal Readiness Program, which is consistent with Indonesia's Halal Product Assurance Law (Law No. 33 of 2014), Aceh Qanun No. 8 of 2016, and the strategic agenda of the National Committee for Islamic Economy and Finance (KNEKS).

Furthermore, the study by Sari, Wibowo, and Nugroho (2023) reinforces the argument that the establishment of MSME Centers offering hybrid training models and integrated mentoring generates long-term multiplier effects. Their research indicates that MSMEs receiving a combination of Islamic financing, entrepreneurial training, and market access support experience substantial improvements in product quality, market expansion, and

business sustainability compared to those receiving financing alone. In this context, BSI's UMKM Center reflects the evolving role of Islamic banks as development-oriented financial intermediaries, extending beyond capital provision toward comprehensive MSME empowerment. Such a model is fully aligned with the mandate of Qanun LKS No. 11 of 2018, which aims to enhance economic productivity, promote equitable income distribution, and improve community welfare within Aceh's sharia-compliant economic framework. From a human capital development perspective, BSI's UMKM Center has made a notable impact on strengthening MSME capacity and competitiveness. Its hybrid training model, integrated mentoring approach, and focus on halal ecosystem development position BSI not only as a financial intermediary but also as a strategic partner in MSME empowerment. These efforts reflect the broader mandate of Qanun LKS No. 11 of 2018, which seeks to enhance economic productivity, improve income distribution, and raise community welfare through sharia-compliant financial intermediation. The presence of the BSI UMKM Center is expected to have long-term multiplier effects, enabling MSME actors to enhance product quality, expand market access, and achieve greater competitiveness not only at the regional level but also nationally and globally. This comprehensive support framework is likely to encourage innovation, strengthen local supply chains, and foster the sustainability of MSMEs in Aceh's sharia-compliant economic ecosystem.

Marketing Aspect

The marketing aspect represents a crucial dimension in enhancing the quality and competitiveness of MSME products. At Bank Aceh Syariah, MSMEs are supported and supervised through individual branch offices under what is referred to as the *UKM Center*. Membership in this center provides substantial benefits to MSME actors—not only as a strategic partner for capacity building and access to financing, but also as a platform for business development training and the sharing of business-related information. Furthermore, MSME participants are given opportunities to participate in both local and national events, such as the renowned Coffee Expo, although participation is typically limited to MSMEs engaged in coffee production. Beyond event participation, Bank Aceh Syariah actively facilitates MSME product marketing by providing open booths at trade fairs, utilizing MSME outlets, and supporting direct marketing efforts with Bank Aceh partners. The bank has also contributed to expanding market access, including efforts to introduce digitalization as a key strategy to strengthen MSME marketing in the era of Industry 4.0—where adaptive, technology-driven marketing is expected to scale up MSME potential and market reach.

However, from a structural perspective, Bank Aceh Syariah has yet to establish a dedicated physical space or office for the *UKM Center*. Problem-solving and discussions with MSMEs are typically conducted through branch offices where financing services are accessed. Likewise, the bank has not developed a permanent product display area to showcase MSME products, which could serve as an important medium for promotion and sales. Nevertheless, Bank Aceh continues to engage MSME actors through participation in selected events, aligning these initiatives with the objectives of the Islamic Financial Institution (LKS) framework as stated in Article 5 of Qanun LKS No. 11 of 2018—namely, to enhance economic empowerment, productivity, income generation, and community welfare—though the realization of these efforts has yet to reach optimal levels. In contrast, Bank Syariah Indonesia (BSI) adopts a dual marketing approach: direct (offline) and indirect (online). Direct marketing is facilitated through the provision of a dedicated MSME product display area, strategically located near the entrance of BSI UMKM Center. This area functions similarly to a retail gallery, showcasing MSME products while simultaneously serving as a point of sale.

For indirect marketing, BSI has developed and launched the *Portal Go UMKM*, a dedicated digital platform designed to enable MSME actors to market their products via e-commerce and digital marketing. To expand market access, BSI UMKM Center has forged collaborations with major national corporations, such as Shopee—allowing MSME entrepreneurs to easily open and manage online shops on the platform—and PT Nutrifood Indonesia. Collaborations also extend to local institutions, such as the Aceh Graphics

Association, to improve production standards, packaging quality, and overall marketability. In addition, BSI partners with government and regulatory bodies, including the Directorate General of Customs and Excise to facilitate MSME export readiness, the PPH Halal Center Cendekia Muslim to enhance halal product certification, and the local Health Department to assist in obtaining PIRT permits for food products. BSI also actively involves MSMEs in bazaars, expos, and other events; however, participation is limited to MSMEs that meet specific criteria due to space constraints. The selection process is transparent, with an open registration link provided to all MSMEs. Curated participation ensures alignment with event themes and maximizes impact.

From an infrastructure perspective, BSI has established a comprehensive facility through the BSI UMKM Center, which includes a dedicated product display area, a well-equipped meeting and workshop room, a waiting lounge, and an on-site coffee shop-creating an enabling environment for MSME engagement. This facility has had a direct and positive impact on service delivery and market exposure for MSMEs. BSI's commitment to marketing extends beyond physical initiatives to its strategic vision of digital transformation. The *Go UMKM Portal* is a core component of its mission to help MSMEs transition to digital branding and marketing, in alignment with its guiding principles: *Go Halal, Go Digital, Go Global*. This emphasis on digitalization is expected to elevate MSMEs to a higher level of competitiveness and visibility, both nationally and internationally. The marketing practices implemented by Bank Aceh Syariah and Bank Syariah Indonesia (BSI) are consistent with recent empirical studies that emphasize the importance of integrated marketing support, digitalization, and institutional collaboration in enhancing MSME competitiveness. First, the role of physical and institutional marketing infrastructure, such as MSME centers, product display areas, and event-based promotion, is supported by the findings of Widodo and Putri (2022). Their study demonstrates that MSMEs receiving marketing facilitation through bank-led exhibition spaces and trade fairs experience higher brand visibility and sales growth compared to those relying solely on conventional distribution channels. This finding is particularly relevant to Bank Aceh Syariah's use of open booths, MSME outlets, and partner-based marketing, although the absence of a permanent UMKM Center and product display area limits the sustainability and scale of these efforts.

Second, BSI's strong emphasis on digital marketing and e-commerce integration aligns with the work of Rahman, Suryanto, and Nugroho (2023), who found that Islamic banks' support for MSME digital onboarding-through marketplace partnerships and proprietary digital platforms-significantly improves market reach and resilience, especially in the post-pandemic economy. Their research highlights that MSMEs assisted in adopting e-commerce platforms such as Shopee and digital branding tools demonstrate faster revenue recovery and stronger competitiveness. This evidence reinforces the strategic relevance of BSI's *Go UMKM Portal* and its "Go Halal, Go Digital, Go Global" framework. Third, the importance of cross-sector collaboration-involving government agencies, halal institutions, and export authorities-is affirmed by Hidayat and Prasetyo (2024). Their study concludes that MSME marketing performance improves substantially when Islamic financial institutions act as ecosystem integrators, linking MSMEs with halal certification bodies, health authorities, and export facilitators. Such collaboration not only accelerates regulatory compliance (e.g., halal certification and PIRT licensing) but also enhances MSME readiness for national and international markets. This finding directly supports BSI's partnerships with Customs and Excise, halal centers, and local government agencies, as well as its curated participation of MSMEs in expos and bazaars. Overall, these studies reinforce the argument that BSI's integrated marketing strategy combining physical infrastructure, digital transformation, and multi-stakeholder collaboration-represents a more advanced and systematic implementation of the mandate of Article 5 of Qanun LKS No. 11 of 2018. Meanwhile, Bank Aceh Syariah's marketing initiatives, though directionally aligned with the same objectives, still require structural strengthening to achieve comparable impact in terms of market expansion, productivity enhancement, and community welfare.

CONCLUSION

The role of Islamic banks in supporting the development of the Micro, Small, and Medium Enterprises (MSME) sector in Banda Aceh following the enactment of Qanun No. 11 of 2018 can be critically assessed across three dimensions: financing, human resource development, and marketing. For Bank Aceh Syariah, the financing aspect has not yet fully achieved the ratio mandated under Article 14 of Qanun LKS No. 11 of 2018. Nevertheless, the bank has articulated a commitment to meet these targets progressively. Its initiatives in human resource development and marketing are in line with the objectives of Article 5 of the Qanun, which emphasizes economic empowerment and increased community productivity, although these efforts remain suboptimal and could benefit from broader outreach and more structured programming. In contrast, Bank Syariah Indonesia (BSI) has demonstrated exceptional performance. It has not only met but surpassed the mandated financing ratio, while also establishing structured programs for capacity-building and marketing support. The establishment of BSI UMKM Center serves as an innovative platform that integrates training, digitalization, and market expansion strategies, positioning BSI as a leading driver of MSME development in Aceh. From a policy perspective, these findings underscore the importance of strengthening collaboration between local Islamic banks, national banks, and government agencies to ensure that MSME development is inclusive and sustainable. Bank Aceh Syariah could leverage BSI's best practices, particularly in capacity-building programs and digital marketing strategies, to accelerate its own progress toward meeting financing ratio targets and improving its service quality. Future research may explore the long-term socio-economic impacts of these contributions, particularly in measuring changes in MSME competitiveness, employment creation, and regional economic growth.

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