



FROM REGULATION TO PRACTICE: EMPIRICAL EVIDENCE ON THE ROLE OF SHARIA SUPERVISORY BOARDS IN INDONESIAN ISLAMIC BANKS

Yulia Hafizah^{1*}, Muhammad Rifqi Hidayat¹

¹State Islamic University of Antasari, Indonesia

**yuliahafizah@uin-antasari.ac.id*

Accepted: October 06, 2025

Revised: February 16, 2026

Published: June 15, 2026

Abstract: Although the DPS plays an important role in ensuring Sharia compliance in Islamic banking, empirical research on the regulations governing the DPS and how they are implemented in concrete supervision at the bank level is still limited. This study aims to analyse the duties and functions of the DPS in practice at Islamic banks in Indonesia. The research uses qualitative methods and analysis techniques with a case study approach, alongside interviews and regulatory documents as data collection methods. Research results show that DPS according to regulations has at least four tasks that must be carried out technically, namely supervising the issuance of new bank products in the form of sharia opinion documents and supervisory working papers on the new bank product development process; conducting inspections on existing products; holding routine meetings at least once a month which are recorded in the self-assessment documents in the bank's GCG report; and signing the bank's financial statements if it is still in the form of a sharia business unit. This research contributes to regulators, such as OJK and DSN, to ensure regulations related to DPS are implemented in practice.

Keywords: Sharia Bank; Sharia Supervisory Board; Indonesia

Abstrak: Meskipun DPS memiliki peran penting dalam memastikan kepatuhan syariah pada perbankan syariah, penelitian empiris terhadap regulasi yang mengatur DPS diterjemahkan ke dalam praktik pengawasan yang konkret di tingkat bank masih terbatas. Penelitian ini bertujuan menganalisa tugas dan fungsi DPS dalam praktik pada bank syariah di Indonesia. Penelitian menggunakan metode dan teknik analisis kualitatif dengan pendekatan studi kasus, serta wawancara dan dokumen regulasi sebagai metode pengumpulan datanya. Hasil penelitian menunjukkan bahwa DPS menurut peraturan perundangan setidaknya memiliki empat tugas yang harus dilaksanakan secara teknis, yaitu mengawasi penerbitan produk baru bank dalam bentuk dokumen opini syariah dan kertas kerja pengawasan terhadap proses pengembangan produk baru bank; melakukan pemeriksaan terhadap produk yang sudah berjalan; mengadakan rapat rutin minimal sebulan sekali yang direkam dalam dokumen self assesment pada laporan GCG bank; dan menandatangani laporan keuangan bank jika masih berbentuk unit usaha syariah. Penelitian ini berkontribusi bagi regulator, seperti OJK dan DSN, regulasi terkait DPS dijalankan dalam praktik.

Kata Kunci: Bank Syariah; Dewan Pengawas Syariah; Indonesia

Copyright © 2026, Author/s

This is an open access article under the [CC-BY-SA](https://creativecommons.org/licenses/by-sa/4.0/) license



Introduction

Over the past two decades, Islamic banking and finance have developed rapidly thanks to the efforts of their stakeholders to integrate Islamic ethics and principles into the banking and financial environment. This progress is evidenced by the industry's resilience during the global financial crisis in 2008, during which the asset growth of Islamic banks was at least twice as high as that of conventional banks, and the average capital adequacy ratio of Islamic banks in the Gulf Cooperation Council (GCC) reached approximately 25–30%, far exceeding the minimum regulatory standard of 8%. As a result, Islamic banks were relatively well shielded from the direct impacts of the crisis.¹

One of the distinguishing features that sets Islamic banks apart from conventional ones is the presence of the Sharia Supervisory Board (SSB), which guides the bank in adhering to Islamic ethics and principles and ensures the bank's compliance with them in its operational activities. This two-tier governance system differs from that of conventional banks, which rely solely on a single layer of oversight from the Board of Commissioners.² Unlike conventional banks that rely on a single layer of oversight, Islamic banks are subject to parallel lines of accountability, where managerial decisions are evaluated not only on financial and regulatory grounds but also on their adherence to Islamic ethical principles. The guidance and assurance provided by the SSB are crucial in strengthening public trust in Islamic banks,³ and safeguarding these institutions from the influence of conventional financial entities.⁴

Given this importance, the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) has issued governance standards related to SSBs, covering aspects such as their appointment, the minimum number of members per institution, and the technical details of supervisory report content.⁵ These governance standards must be comprehensive and holistic, serving as a reference for Islamic banks and their SSBs in carrying out effective sharia compliance supervision. However, results from 43 Islamic banks across eight countries shows that these standards largely function as normative benchmarks rather than fully binding rules. The study demonstrates that the average level of Islamic banks' compliance with AAOIFI standards is only around 56%, with CSR disclosure in particular reaching merely 27%.⁶ This suggests that these standards have not yet been fully or effectively implemented in practice.

Specifically in Indonesia, the functions of AAOIFI are carried out by the National Sharia Board (DSN). The DSN is an official body under the Indonesian Council of Ulama

¹ Mohammed Ebrahim Hussien et al., "The Performance Of Islamic Banks During The 2008 Global Financial Crisis: Evidence From The Gulf Cooperation Council Countries," *Journal Of Islamic Accounting And Business Research* 10, no. 3 (2019): 407.

² Talat Ulussever, "Corporate Governance And Risk Aggressiveness Of Islamic Banks Against The Recent Financial Crisis," *Studies Of Applied Economics* 37, no. 3 (2019): 3.

³ Md. Kausar Alam Et Al., "The Influences Of Shariah Governance Mechanisms On Islamic Banks Performance And Shariah Compliance Quality," *Asian Journal Of Accounting Research* 7, no. 1 (2021): 2.

⁴ Md. Kausar Alam et al., "Shariah Supervisory Boards Of Islamic Banks In Bangladesh: Expected Duties And Performed Roles And Functions," *Journal Of Islamic Accounting And Business Research* 12, no. 2 (2021): 258.

⁵ AAOIFI, *Shari'ah Standard* (Dar Al-Maiman, 2015), <http://aaoifi.com/wp-content/uploads/2020/09/AAOIFI-GS-1-Sharia-Supervisory-Board-Appointment-Composition-and-Report.pdf>.

⁶ Sherif El-Halaby And Khaled Hussainey, "Determinants Of Compliance With AAOIFI Standards By Islamic Banks," *International Journal Of Islamic And Middle Eastern Finance And Management* 9, no. 1 (2016); 143.

(MUI) that is responsible for issuing fatwas related to Islamic economics,⁷ conducting fit and proper tests for prospective members of SSB proposed by banks,⁸ and overseeing and guiding Islamic financial and business institutions in implementing Islamic values in their activities.⁹ At the institutional level, SSB operates as an extension of the DSN, that is tasked with overseeing day-to-day compliance of individual Islamic banks with DSN fatwas and Sharia principles within their respective operations. In this structure, DSN retains normative and regulatory authority, while the DPS execute the operational supervision.

Theoretically, the main role of the SSB is to maintain public trust in Islamic financial institutions.¹⁰ This is realized through guidance in the development of Islamic banking products and services, supervision and review of existing products to ensure they do not involve prohibited activities, approval of new product standards, issuance of fatwas, and the provision of annual sharia compliance certificates reflecting the bank's overall performance.¹¹ This indicates that, in theory, the core competency required of SSB members primarily lies in their understanding of fiqh muamalah (Islamic jurisprudence on commercial transactions), which is essential to effectively perform these functions. However, limited familiarity with banking operations and financial reporting among SSB members may lead to practical difficulties in endorsing financial statements and an over-reliance on bank officers for explanations of operational issues.¹²

From a regulatory perspective, Bank Indonesia Regulation No. 6 of 2004 Article 21 Paragraph (3) stipulates that SSB members must possess competencies in the form of knowledge and experience in muamalah, banking, and finance in general. Furthermore, Law No. 21 of 2008 Article 32 Paragraph (3) mandates that the SSB is responsible for supervising Islamic banking activities to ensure compliance with sharia principles and for providing advice and recommendations to the board of directors. These regulatory provisions translate into a set of SSB's responsibilities, which this study examines by analysing how SSB members operationalise their supervision, product approval, periodic reviews, and governance-related decision-making in their day-to-day practices.

Beyond these theoretical and regulatory frameworks, in practice, the SSB is also accountable for the financial statements issued by the bank—particularly for Islamic banks that still operate as Islamic Business Units (UUS) under conventional parent banks. This

⁷ Ilham Maulid And Amirsyah Amirsyah, "Analysis Of The Hajj Fund Management Based On The Fatwa Of The National Sharia Council (DSN) Number 122 Concerning The Management Of BPIH Fund And Special BPIH Based On Sharia Principles," *ADI Journal On Recent Innovation* 3, no. 1 (2021): 21.

⁸ Inten Meutia et al., "Characteristics Of The Sharia Supervisory Board And Its Relevance To Islamic Social Reporting At Islamic Banks In Indonesia," *EKUITAS (Jurnal Ekonomi Dan Keuangan)* 3, no. 1 (2019): 130.

⁹ Hendri Hermawan Adinugraha et al., "Halal Tourism In Indonesia: An Indonesian Council Of Ulama National Sharia Board Fatwa Perspective," *The Journal Of Asian Finance, Economics And Business* 8, no. 3 (2021): 665.


¹⁰ Fajria Zakiyah et al., "The Role Of The Sharia Supervisory Board In The Relationship Of Third-Party Fund And Profits," *Journal Of Islamic Accounting And Finance Research* 3, no. 2 (2021): 2.

¹¹ Md Kausar Alam et al., "Shariah Governance Practices And Regulatory Problems Of Islamic Insurance Companies In Bangladesh," *International Journal Of Academic Research In Business And Social Sciences* 9, no. 1 (2019): 109; Talat Hussain And Tariq Azeq, "The Role Of Shariah Board In Islamic Banks: Evidence From Pakistan, Bahrain, Qatar And Bangladesh," *Journal Of Emerging Finance And Social Sciences* 1, no. 2 (2021): 2; Md Rezaul Karim And Samia Afrin Shetu, "Level Of Shariah Compliance In The Operation Of Islamic Banks In Bangladesh: An Empirical Study," *International Journal Of Islamic Economics And Finance Studies* 6, no. 3 (2020): 3.

¹² Nurfarahin M. Haridan et al., "Governance, Religious Assurance And Islamic Banks: Do Shariah Boards Effectively Serve?," *Journal Of Management And Governance* 22 (2018): 1015.

additional workload requires SSB members to also possess a basic understanding of accounting, enabling them to properly review and interpret the bank's financial reports.¹³ As a result, SSB members are required not only to ensure sharia adherence but also to possess a basic understanding of accounting in order to review and interpret financial statements, which may blur the boundaries between supervisory role of the SSB and the responsibilities of the managerial boards.

Figure 1. The CIMB Syariah Financial Report For The Second Quarter Of 2022, Signed By Both The Chairman Of The SSB And The Bank's Director.




FINANCIAL INFORMATION ON SHARIA BUSINESS UNIT
FINANCIAL RATIOS
30 June 2022 and 2021

No	ACCOUNTS	2022	2021
1.	Total Sharia Business Unit (UUS) assets to total Conventional Bank assets which owning UUS	19.21%	16.69%
2.	Non performing earning assets to total earning assets	0.98%	0.92%
3.	Allowance for impairment losses of financial assets to earning assets	1.93%	1.09%
4.	NPF gross	1.35%	1.32%
5.	NPF net	0.45%	0.48%
6.	Return on Assets (ROA)	2.46%	3.92%
7.	Profit sharing financing to total financing	88.80%	89.47%
8.	Financing to Deposit Ratio (FDR)	113.98%	88.43%


Notes:

- The financial statement of Sharia Business Unit is presented to comply with Financial Services Authority (FSA) regulation No.37/POJK.03/2019 concerning "Transparency and Publication of Bank Reports", and prepared in accordance with Financial Services Authority (FSA) circular letter No.10/SEOJK.03/2020 dated 1 July 2020 concerning "Transparency and Publication Report of Sharia Bank and Sharia Business Unit".
- The above financial information is only for Sharia Business Unit owned by PT Bank CIMB Niaga Tbk and not including sharia contract owned by Subsidiaries.

Jakarta, 27 July 2022



 Prof. DR. M. Quraish Shihab, MA
 Chairman of Sharia Supervisory Board



 Pandji Pratama Djajaneegara
 Director

Source: cimbniaga.co.id, 2025

This discrepancy between theory and practice draws the author's attention to further examine the actual duties and functions of the SSB in practice, particularly within the context of Islamic banks in Indonesia. Based on the author's review, most studies on SSBs in Indonesia have quantitatively measured their influence on various variables—such as tax avoidance prevention,¹⁴ customer trust,¹⁵ social reporting,¹⁶ social performance,¹⁷ financial

¹³ Peni Nugraheni And Erlinda Nur Khasanah, "Implementation Of The AAOIFI Index On CSR Disclosure In Indonesian Islamic Banks," *Journal Of Financial Reporting And Accounting* 17, no. 3 (2019): 365.

¹⁴ Muhammad Taufik, "Can Shari'ah Supervisory Board And Islamic Bank Characteristics Reduce Tax Avoidance? Evidence In Indonesia And Malaysia," *Journal Of Financial Crime*, (2022).

¹⁵ Dini Dewindaru And Ermina Sari, "Can The Characteristics Of The Sharia Supervisory Board Increase The Trust Of Sharia Bank Customers?," *Journal Of Islamic Accounting And Finance Research* 4, no. 1 (2022): 1.

¹⁶ Fachrurrozie Et Al, "The Effect Of Profitability, Size And Shariah Supervisory Board Of An Indonesian Islamic Bank On The Islamic Social Reporting Disclosure," *Banks And Bank Systems* 16, no. 3 (2021): 84.

¹⁷ Bima Cinintya Pratama et al., "The Effect Of Intellectual Capital And Shariah Supervisory Boards On Social Performance Of Islamic Banks," *Journal Of Emerging Economies And Islamic Research* 9, no. 3 (2021): 3.

performance,¹⁸ the quality of financial statements,¹⁹ the quality of zakat reports,²⁰ earning management,²¹ Islamic Rural Banks (BRPS),²² fraud prevention,²³ third-party fund growth,²⁴ and risk-taking decisions.²⁵

Meanwhile, qualitative studies on SSBs generally focus on their roles in specific areas, such as the supervision of tabarru' concepts in Islamic insurance,²⁶ financing practices,²⁷ contract implementation,²⁸ banks' compliance with Islamic principles,²⁹ or the theoretical roles of SSBs in general.³⁰

These studies demonstrate a trend toward outcome-based measurement and issue-specific analysis. Yet, empirical evidence on how regulatory mandates governing the SSB are operationalised in everyday practices is still limited. Hence, this study addresses the gap by offering additional qualitative evidence on how SSB duties and functions are enacted in practice within Indonesian Islamic banks. The results contribute to linking regulatory expectations with lived governance processes at the institutional level.

Moreover, this study also expands the works of which analyzed the expected duties, roles, and functions of SSBs in Bangladesh. However, the contexts of Bangladesh and Indonesia differ significantly. Bangladesh lacks a central sharia supervisory institution overseeing all SSBs within its Islamic banks, whereas in Indonesia, the supervisory function over SSB performance is managed by the DSN. This contextual difference provides an opportunity for the present study to contribute to the body of research on SSBs, particularly regarding the implementation of SSB duties and functions within the Indonesian Islamic

¹⁸ Ahmad Fauzul Hakim Hasibuan et al, "The Effect Of The Sharia Supervisory Board And The Board Of Commissioners On The Financial Performance Of Sharia Commercial Banks In Indonesia," *AT-TIJARAH: Jurnal Penelitian Kenangan Dan Perbankan Syariah* 3, no. 1 (2021): 60.

¹⁹ Iwan Budiyo And Chansera Kista Sabilla, "Analysis Of The Influence Of Audit Committee, Sharia Supervisory Board, And Islamic Work Ethic On The Quality Of Sharia Bank Financial Statements In Indonesia," *AL-ARBAH: Journal Of Islamic Finance And Banking* 3, no. 1 (2021): 1.

²⁰ Elis Mediawati, "The Quality Of Financial Reporting: Sharia Supervisory Board Role In Zakat Management Organization," *Atlantis Press*, (2016): 67.

²¹ Iwan Fakhruddin Et Al., "The Effects Of Shariah Supervisory Board Education Qualifications, Number Of Shariah Supervisory Board Meetings And Management Bonus Compensation On Earnings Management," *Paper Presented At Proceedings Of The 2nd International Conference Of Business, Accounting And Economics*, (2020).

²² Ahmad Fahrurrozi And Muh Alim Fasieh, "The Effect Of Sharia Supervisory Board (DPS), Board Of Directors, And Board Of Commissioners On The Financial Performance Of Sharia People Financing (BPRS)," *Indonesian Journal Of Islamic Economics Research* 2, no. 1 (2020): 1.

²³ Indah Anisykurlillah et al., "Examining The Role Of Sharia Supervisory Board Attributes In Reducing Financial Statement Fraud By Islamic Banks," *Banks And Bank Systems* 15, no. 3 (2020): 106.

²⁴ Zakiyah et al., "The Role Of The Sharia Supervisory Board In The Relationship Of Third-Party Fund And Profits."

²⁵ Nur Athirah Najwa et al., "Board Size, Chief Risk Officer And Risk-Taking In Islamic Banks: Role Of Shariah Supervisory Board," *Jurnal Pengurusan (UKM Journal Of Management)* 57, no. 01 (2020): 1.

²⁶ Wetria Fauzi, "Sharia Supervisory Board (SSB) Function Supervision In The Application Of Tabarru' Concept In Sharia Insurance In Indonesia," *Proceedings Of Tourism Development Centre International Conference*, (2020).

²⁷ Prawitra Thalib et al., "The Function Of Sharia Supervisory Board In Financing Practices By Sharia Bank In Indonesia," *Business & Management Studies: An International Journal* 6, no. 4 (2018): 4; Agus Alimuddin, "Bentuk Akad-Akad Bernama Di Lembaga Keuangan Syariah," *Amal: Jurnal Ekonomi Syariah* 2, no. 2 (2020).

²⁸ Abi Waqqosh et al., "The Role Of The Sharia Supervisory Board (DPS) In Supervision Of Contract Implementation At The Binjai Branch Bri Sharia," *E-Mabis: Jurnal Ekonomi Manajemen Dan Bisnis* 22, no. 1 (2021): 1.

²⁹ Muhammad Mushtaq Ahmed et al., "The Role Of Shariah Board In Islamic Banks: Pakistan's Perspective," *Global Regional Review* II, no. I (2017): 356.

³⁰ Mohammad Abdullah, "Analysing The Role Of Shariah Supervisory Boards In Islamic Financial Institutions," *SSRN Scholarly*, (2012); Amjid Ali et al., *The Role Of The Shariah Advisory Board In Islamic Finance*, (Bloomsbury Information Ltd, 2010).

banking context. Accordingly, this study addresses the research problem of how regulatory mandates governing the Sharia Supervisory Board are translated into concrete supervisory practices at the bank level in Indonesia.

Methods

This study employs descriptive qualitative analytical methods using a case study approach to examine how the expected duties and functions of the SSB are enacted in practice within Islamic banks. Qualitative research enables an in-depth exploration of meanings, interpretations, and practices,³¹ while the case study approach facilitates a holistic explanation of institutional roles and functions.³² A similar qualitative case study approach has been applied in their study on the governance framework of Islamic banking in Bangladesh.

To ensure the relevance and richness of the data, this study adopts a non-probability sampling technique, which is commonly used in qualitative research to select informants with specific characteristics and expertise relevant to the research objectives.³³ Therefore, informants were selected based on their knowledge, experience, and ability to provide substantive insights into SSB practices and supervisory processes, which reflect the relevance of their background to address the research questions.³⁴ For this study, informants consist of two SSB members from UUS, two SSB members from Bank Perekonomian Rakyat Syariah (BPRS). In addition, an informant from OJK was also involved. All have experience for more than five years in their respective position. Data were collected primarily through interviews, as qualitative research recognises multiple interview formats—structured, semi-structured, unstructured, and non-directive,³⁵ which may be conducted face-to-face, by telephone, or online.³⁶ and can be carried out confidentially to encourage openness and depth in informant responses.³⁷ In this study, semi-structured face-to-face interviews were employed in a confidential condition to allow flexible yet focused discussions that could respond to informants' answers while remaining anchored to the core research questions.³⁸

³¹ Haradhan Kumar Mohajan, "Qualitative Research Methodology In Social Sciences And Related Subjects," *Journal Of Economic Development, Environment And People* 7, no. 1 (2018): 23.

³² Baboucarr Njie And Soaib Asimiran, "Case Study As A Choice In Qualitative Methodology," *IOSR Journal Of Research & Method In Education (IOSRJRME)* 4, no. 3 (2014): 35.

³³ Doreen Said Pace, "Probability And Non-Probability Sampling-An Entry Point For Undergraduate Researchers," *International Journal Of Quantitative And Qualitative Research Methods* 9, no. 2 (2021).

³⁴ Steve Campbell et al., "Purposive Sampling: Complex OR Simple? Research Case Examples," *Journal Of Research IN Nursing* 25, no. 8 (2020): 652.

³⁵ Tapiwa Muzari et al., "Qualitative Research Paradigm, A Key Research Design For Educational Researchers, Processes And Procedures: A Theoretical Overview," *Indiana Journal Of Humanities And Social Sciences* 3, no. 1 (2022): 14.

³⁶ Stacy M. Carter et al., "Conducting Qualitative Research Online: Challenges And Solutions," *The Patient - Patient-Centered Outcomes Research* 14, no. 6 (2021): 711.

³⁷ Jennifer Heath et al., "It's Just More Personal': Using Multiple Methods Of Qualitative Data Collection To Facilitate Participation In Research Focusing On Sensitive Subjects," *Applied Nursing Research* 43, (2018): 30.

³⁸ Kathryn Roulston And Myungweon Choi, "Qualitative Interviews," *In The Sage Handbook Of Qualitative Data Collection*, (New York: SAGE, 2018).

In addition to interviews, this research also examines regulatory documents as supporting materials to validate interview findings, particularly in discussions involving the SSB, OJK, Central Bank of Indonesia (BI), and the DSN. This is intended to assess the validity level of the data collected throughout the study, by cross-checking interview results with the regulatory documents.

Result And Discussion

The SSB of an Islamic bank holds the responsibility of ensuring the bank's compliance with sharia principles. Accordingly, this section provides an in-depth discussion of the roles undertaken by the SSB, with a particular focus on the technical aspects derived from the analysis of relevant regulatory frameworks and interviews conducted with key informants. This discussion aims to shed light on how the SSBs of Islamic banks in Indonesia carry out their duties and functions in practice.

Supervising The Issuance Of New Products In Islamic Banks

SSB carries significant responsibility for ensuring that the bank's operations align with sharia principles. One of the SSB's primary duties is to supervise the issuance of new products by the bank. Bank Indonesia Regulation (PBI) No. 11 of 2009 concerning Islamic Commercial Banks stipulates that the SSB must oversee the process of developing and launching new products within Islamic banks.

In line with this regulatory mandate, evidence from interviews with SSB members illustrates how these supervisory responsibilities are operationalised during the product development process at the bank level.

During the product development stage, the SSB is tasked with closely monitoring the entire process—covering the design, testing, and preparation of the product—before it is introduced to customers. This supervision is intended to ensure that every new product fully complies with established sharia principles, while preventing potential violations that could compromise the integrity and public trust in Islamic banking.

If a new product proposed by the bank has not previously been issued a sharia ruling (fatwa), the SSB is authorized to request a fatwa from the DSN for that product, particularly when no clear sharia legal guidance exists. This step reflects the SSB's commitment to ensuring that any new product introduced by the bank meets proper sharia legal requirements and possesses a formal and credible sharia legal basis before being offered to the public.

BI subsequently issued Circular Letter No. 12 of 2010 concerning the Implementation of Good Corporate Governance for Islamic Commercial Banks and Islamic Business Units. This circular elaborates on the procedures set out in PBI 11/2009, outlining specific steps that the SSB must take in supervising the issuance of new products by Islamic banks. While this regulatory layering enhances the clarity of the procedure, it may also introduce potential ambiguity regarding the scope of the SSB's authority, particularly in distinguishing between supervisory role and involvement in managerial or operational decision-making during the product development process.

First, the SSB is instructed to request detailed explanations from the relevant bank officials regarding the purpose, characteristics, and akad (contract) that will be applied in the new product. Technically, according to informant SSB#2, the bank provides the SSB with a draft of the product's guideline manual, which contains comprehensive information. In the case of a financing product, for example, the draft includes: the background of the product; product scope; objectives; sharia foundations, relevant laws and company regulations; product characteristics and detailed terms (features, contract schemes, target customers, structure, rates, guarantees, insurance, defaults, and payments); accounting and journal illustrations; operational procedures (standard operating procedures, financing flow, and disbursement process); and related forms.

Secondly, the SSB must verify whether the akad to be used in the new product already has an existing fatwa from the DSN. If such a fatwa exists, the SSB analyzes the product's contract to ensure its consistency with the fatwa. If no suitable fatwa exists, the SSB recommends that the bank's board of directors formally request one from the DSN. Notably, this requirement in SEBI 12/2010 differs slightly from that in PBI 11/2009, which explicitly directs the SSB to submit the fatwa request to the DSN. However, in practice, this can be interpreted as requiring the SSB to prepare the request letter, which is then signed and submitted by the bank's directors.

Then, the SSB is mandated to review the systems and procedures related to the new product to ensure compliance with sharia principles. In this regard, informant SSB#1 explained that, technically, the SSB carefully reads and checks every detail of the product guideline draft provided by the bank. If the SSB identifies any provisions that are inconsistent or technically inaccurate from a sharia perspective, it has the right to request the bank to make the necessary revisions.

Lastly, once the above three processes are completed, the SSB may issue a sharia opinion for the new product to be launched. This ensures that the product has been thoroughly reviewed and declared compliant with sharia principles. The sharia opinion also serves to assure customers that the product has undergone rigorous supervision and meets established sharia standards. The SSB's opinion is documented in a written Sharia Opinion and Sharia Review Report, which detail the results of the product analysis. The sharia opinion is structured in a simple format as required by OJK Circular Letter No. 36 of 2015 on Products and Activities of Islamic Commercial Banks and Islamic Business Units, as follows:

Table 1. Form For The SSB Opinions

Name of New Product/Activity:	
Description	Opinion
<p>The new Product/Activity is based on DSN-MUI fatwas.</p> <p>The compliance of the new Product/Activity with DSN-MUI fatwas at a minimum includes:</p> <ol style="list-style-type: none"> the contract (akad) used and the fulfillment of the essential elements of the applied contract; the object of the transaction and its intended use; the appropriateness of the determination of bonuses/profit-sharing ratios (nisbah)/margin/ujrah/fees in accordance with the contract used, including, where necessary, a review of profit-sharing ratios/margins/ujrah (for financing products); the determination of administrative fees; and e. the determination of rewards, penalties/sanctions and/or compensation, discounts, early settlement, and the treatment of collateral, if any. <p>The standard operating procedures of the new Product/Activity related to the fulfillment of Sharia principles.</p> <p>The results of the review of the contract/agreement/application form concept of the new Product/Activity related to compliance with Sharia principles.</p>	
Conclusion:	
Source: SEOJK 36 Tahun 2015 Sharia Opinion Of The Sharia Supervisory Board (SSB)	

Table 2. Form For The SSB Supervision Report On New Bank Products

Name Of New Product:	
Activities Undertaken	Supervision Results
Requesting explanations from authorized bank officers regarding the objectives, characteristics, and contracts (akad) used in the new product to be launched.	<ul style="list-style-type: none"> –Objectives of the new product (specify the objectives of the new product) –Characteristics of the new product (specify the characteristics of the new product) –Contract (akad) used (specify the contract used for the new product)
<p>Examining whether the contract used in the new product is supported by an existing DSN-MUI fatwa:</p> <ul style="list-style-type: none"> –if no fatwa exists, the SSB proposes that the Board of Directors of the Islamic Commercial Bank / the Director of the Islamic Business Unit submit a formal request to DSN-MUI for the issuance of a relevant fatwa; or –if a fatwa exists, the SSB conducts an analysis of the conformity of the new product's contract with the DSN-MUI fatwa. 	<ul style="list-style-type: none"> –(specify documentary evidence of the SSB's proposal to the Board of Directors / Director of the Islamic Business Unit requesting a DSN-MUI fatwa, and to state the number of the DSN-MUI fatwa issued in response to the bank's request) –(explain the results of the SSB's analysis regarding the conformity of the contract with the DSN-MUI fatwa)
Reviewing the systems and procedures of the new product to be launched in relation to compliance with Sharia principles.	(explain the results of the review of the systems and procedures)
Providing a sharia opinion on the new product.	(explain the sharia opinion on the new product)

Source: Sebi 12 Of 2010 Working Paper Supervision Of The Bank's New Product Development Process Semester I / II) Year Islamic Commercial Bank / Islamic Business Unit)

To maintain the integrity and credibility of Islamic banking, SEBI 12/2010 also stipulates sanctions for SSB members who fail to carry out their supervisory duties over new products. Specifically, if an SSB does not conduct assessment and verification of sharia compliance for the bank's operational guidelines and products—resulting in the revocation of the bank's business license—then the SSB members involved may be sanctioned with a prohibition from serving as SSB members in any Islamic banking institution for up to ten (10) years from the date of license revocation.

This lengthy prohibition period underscores the critical role of the SSB within sharia-based financial institutions in ensuring that banking operations adhere to sharia principles. It also reflects the SSB's accountability to shareholders, customers, and the public in maintaining trust in both Islamic banks and the broader banking industry. Consequently, this regulation serves as a foundational mechanism to ensure the professionalism and accountability of the SSB in fulfilling its duties, thereby supporting the operation of Islamic banks in compliance with sharia values.

Conducting Periodic Reviews Of Existing Islamic Bank Products

The second duty of the SSB is to carry out periodic reviews of existing products, including those related to funding, financing, and services provided by the bank. This supervision is intended to ensure that all the bank's activities remain in accordance with the sharia principles that form the foundation of its operations. These periodic reviews also aim to identify any non-compliance with sharia principles and to recommend corrective measures if any violations or inconsistencies are found. This process reflects the bank's continuous commitment to upholding sharia values, thereby maintaining customer and public trust.

Furthermore, beyond these routine compliance checks, they also function as a preventive governance mechanism aimed at minimizing sharia risks that may emerge over time as products are implemented. If SSB detects potential deviations or inconsistencies at an early stage, corrective recommendations can be implemented to help maintain the integrity of Islamic banking operations and sustain customer trust.

The periodic reviews conducted by the SSB are not merely routine tasks, but rather an integral part of maintaining the quality and integrity of Islamic banking operations. By regularly monitoring the mechanisms of fund collection, fund distribution, and service delivery, the SSB contributes directly to ensuring that the bank operates consistently in line with established sharia principles. This not only benefits the bank itself, but also its customers and the wider community who rely on Islamic banking services that are compliant with Islamic values. Thus, the SSB's periodic review function is essential in safeguarding the quality, transparency, and credibility of Islamic banks in the eyes of the public.

The results of our interview indicate that periodic supervisions would cover funding, financing, and service activities. The supervisions are conducted through a combination of document analysis, sampling-based product examinations, and, where necessary, on-site inspections and interviews with bank personnel. While Bank Indonesia Regulation (PBI) No. 11 of 2009 mandates periodic sharia reviews, it does not prescribe a specific review frequency, resulting in variations across institutions. Interview evidence shows that, in

Islamic commercial banks, reviews are commonly conducted on a quarterly basis through rotating branch visitations, whereas SSBs in Islamic rural banks (BPRS) are required to conduct supervision at least once a month, as stipulated in SEBI 15/2013.

In addition, a technical guidance for the supervision mechanism and reports is provided through SEBI 12/2010 and SEBI 8/2006. The two regulations stipulate two mechanisms: supervision conducted upon request from the board of directors or internal control units, and sampling-based reviews of existing products. In the absence of explicit regulatory standards on sample size, SSB members exercise discretionary judgment in determining internal sampling policies. The supervision process involve both transactional verification—such as examining proof of ownership in murabahah financing and profit-sharing calculations in mudharabah and musyarakah—and procedural compliance, including contract documentation, disclosure practices, and alignment with DSN fatwas. Findings are communicated through supervision reports, sharia opinions, and periodic submissions to the board of directors, board of commissioners, and the OJK.

Table 3. Form For SSB Supervision Reports On Existing Products.

Name Of New Product:

Activities Undertaken	Supervision Results
Analysing reports submitted by and/or requested from the Board of Directors, internal audit function, and/or compliance function to assess the quality of sharia principle compliance in fund mobilization, fund distribution, and banking service activities.	(specify the source of reports or information and the sections indicating weaknesses in the bank's implementation of sharia principles).
Determining the number of transaction samples to be examined, taking into account the quality of sharia principle compliance in each activity.	(specify the number of transaction samples to be examined and the rationale for determining the sample size).
Examining sampled transaction documents to assess compliance with sharia principles as required under the bank's Standard Operating Procedures (SOPs).	(specify the documents examined, including documents required under the bank's SOPs, and to explain the examination results).
Conducting inspections, observations, requests for explanations, and/or confirmations from bank employees and/or customers to strengthen the findings from the document examination referred to in item 3, where necessary.	(specify the activities conducted, the parties involved, and the outcomes).
Reviewing SOPs related to sharia aspects if there are indications of non-compliance with sharia principles in the activities under review.	(specify the SOP issuance date (including any amendments), if any, and the sections of the SOP requiring improvement).
Providing a sharia opinion on fund mobilization, fund distribution, and banking service activities.	(explain the SSB's sharia opinion regarding the bank's activities).

Reporting the supervision results to the Board of Directors and the Board of Commissioners. (specify the documents used to submit the supervision results to the Board of Directors and the Board of Commissioners).

Source: SEBI 12 of 2010 Working Paper Supervision Of The Bank's New Product Development Process Semester I / II) Year Islamic Commercial Bank / Islamic Business Unit)

Overall, the periodic product supervision practices observed in this study are broadly consistent with the literature that positions SSB as a continuous monitoring mechanism for safeguarding sharia compliance and mitigating sharia-related risks.³⁹ The emphasis on systematic and well-documented reviews aligns with prior empirical findings showing that stronger sharia governance mechanisms, including active SSB involvement, are associated with higher compliance quality with sharia standards and reporting frameworks, such as AAOIFI and IFRS, improved operational risk disclosure, and enhanced sharia-based social reporting.⁴⁰ Similarly, the framing of periodic reviews as a preventive governance mechanism resonates with systematic reviews highlighting that effective sharia governance—supported by internal review structures—is essential for minimizing financing risk and strengthening internal compliance quality in Islamic banking.⁴¹ The present findings also reinforce evidence that robust SSB practices contribute to public trust, institutional credibility, and ethical legitimacy, consistent with studies linking SSB attributes and effectiveness to bank performance, reputation, and social reporting outcomes.⁴²

At the same time, this study extends the existing literature by illuminating operational dimensions of SSB review practices that remain largely implicit in prior research. While quantitative cross-country studies typically assess SSB effectiveness using aggregate indicators, such as board size, expertise, reputation, or meeting frequency, rarely capture how these attributes are translated into day-to-day supervisory routines.⁴³ The present findings provide granular insights into review frequency variations (quarterly reviews in Islamic commercial banks versus monthly reviews in BPRS), discretionary sampling strategies across product categories, and the use of exit meetings with management as a feedback mechanism. In this sense, the evidence complements rather than contradicts earlier studies,⁴⁴ by offering a concrete illustration of how SSB authority, capacity, and governance mandates are enacted in practice. Compared to qualitative findings from other contexts that highlight constraints on sharia officers' independence and managerial

³⁹ Alam et al., "The Influences Of Shariah Governance Mechanisms On Islamic Banks Performance And Shariah Compliance Quality."

⁴⁰ Ahmed A. Elamer et al., "Sharia Supervisory Boards, Governance Structures And Operational Risk Disclosures: Evidence From Islamic Banks In MENA Countries," *Global Finance Journal* 41, (2019): 100488.

⁴¹ Annisa Adha Minaryanti et al., "The Role Of Sharia Governance In Minimizing Credit Risk In Islamic Banking: A Systematic Literature Review," *Journal Of Islamic Accounting And Business Research* 15, no. 1 (2024): 1.

⁴² Rita Wijayanti And Doddy Setiawan, "Social Reporting By Islamic Banks: The Role Of Sharia Supervisory Board And The Effect On Firm Performance," *Sustainability* 14, no. 17 (2022): 10965.

⁴³ Tasawar Nawaz et al., "On Intellectual Capital Efficiency And Shariah Governance In The Islamic Banking Business Model," *International Journal Of Finance & Economics* 25, no. 4 (2020): 535.

⁴⁴ Annisa Adha Minaryanti And Muhammad Iman Sastra Mihajat, "A Systematic Literature Review On The Role Of Sharia Governance In Improving Financial Performance In Sharia Banking," *Journal Of Islamic Accounting And Business Research* 14, no. 4 (2023): 560.

pressures that may weaken ex-post supervision,⁴⁵ the review model observed in this study—characterised by broad data access, direct inspections, and formalised reporting lines to boards and regulators—closely reflects the normative ideal of sharia governance envisioned in the literature.

Supervising The Issuance Of New Sharia Bank Products

The third obligation of the SSB is to hold meetings regularly. These meetings aim to discuss various matters related to the fulfillment of sharia principles in the bank's operations. The SSB performs its supervisory role by holding scheduled meetings with its members. These meetings serve as a forum that facilitates discussions of findings, recommendations, and sharia opinions related to the bank's activities.

Regarding this matter, SEBI 12/2010 provides general guidance regulating decision-making in SSB meetings, stating that decisions in SSB meetings are made based on the principle of *musyawarah mufakat* (deliberation and consensus). This is in line with the principle of consensus and mutual agreement in decision-making. However, in the process of decision-making, there may be differences of opinion among SSB members. For this reason, SEBI 12/2010 also provides guidance that such differences of opinion may be included in the meeting minutes along with their reasons. This information is necessary to maintain transparency and accountability in the decision-making process, showing that even though there are differences of opinion, all SSB members remain committed to achieving the best solution for the interests of the bank and the fulfillment of sharia principles.

In addition to the meeting minutes, an attendance document as a record of the presence of all SSB members in the meeting must also be provided. If the meeting cannot be held offline, the SSB may conduct it through teleconference technology.

Further provisions related to the frequency and other requirements of these meetings are explained in more detail in Appendices 4 and 5 of SEBI. These appendices provide more specific guidance regarding the implementation of SSB meetings as well as procedures for decision-making and reporting of meeting results. Some important points in these appendices are as follows:

SSB meetings must be held at least once in one month. This frequency demonstrates the SSB's commitment to carrying out its supervisory duties regularly and consistently. These regular meetings also provide opportunities for SSB members to discuss, make decisions, and provide opinions and recommendations regarding various aspects related to the sharia principles in the bank's operations. The provisions for SSB in sharia banks differ from those for SSB in guarantee institutions, which according to the Financial Services Authority Regulation (POJK) Number 3 of 2017 concerning Good Corporate Governance for Guarantee Institutions, are only required to hold meetings at least four times per year.

Furthermore, the appendices also emphasize that the results of SSB meetings must be submitted as reports or recommendations to the board of directors. This reporting connects the work of the SSB with the board of directors as the bank's executive body. The report or

⁴⁵ Md. Kausar Alam et al., "Independence And Effectiveness Of Shariah Department Officers To Ensure Shariah Compliance: Evidence From Islamic Banks In Bangladesh," *Asian Journal Of Accounting Research* 7, no. 3 (2022): 315.

recommendation includes findings, decisions, and sharia opinions of the SSB that may need to be considered in the strategic decision-making process by the board of directors. In addition, all these activities, including meetings as well as supervision of new and ongoing products, are then reported by the bank in the self-assessment document as part of the implementation of the bank's Good Corporate Governance principles.

The minimum frequency of regular meetings in Indonesia is among the highest compared to other countries. Reported that the SSB in Islamic banks in Pakistan, Kuwait, Bahrain, and Qatar are only required to hold meetings four times a year. Oman does not regulate the minimum frequency of SSB meetings at all. However, there have been studies showing that the frequency of SSB meetings affects earnings per share ratios,⁴⁶ as well as the SSB's performance.⁴⁷ On the other hand, there are also studies that state that SSB meetings have no effect, or even have a negative effect on other variables. Regarding the bank's social performance, Nugraheni stated that SSB meetings have no effect, possibly because not all SSB members always attend these regular meetings, resulting in lower quality of decisions produced. Even if all SSB members attend, their attendance may be due to specific discussions requested by the directors, so issues related to the bank's social performance are rarely discussed. Meanwhile, in terms of sharia bank performance, Musleh Alsartawi argued that the negative effect arises because the SSB's function may lean more toward advisory rather than supervisory, lacking full understanding of the bank's operations, so that frequent meetings actually add unnecessary costs. Therefore, the important elements in SSB meetings may not only lie in their frequency, but also include member attendance, meeting quality, and the breadth of discussions within them.

Being Involved In The Publication Of The Bank's Financial Report

For Islamic banks operating UUS, SSB is required to be involved in the publication of the financial report and quarterly financial performance information of the UUS, as evidenced by the SSB's signature on the report. As emphasized by OJK#1 as part of the regulator, the report of a sharia business unit signed by the SSB is related to the SSB's function as the entity responsible for ensuring that the financial activities of an institution or business unit comply with Islamic sharia principles.

In addition, the involvement of the SSB in the financial report also serves to demonstrate the bank's commitment to upholding sharia principles, preventing deviations, increasing consumer and investor confidence, showing transparency and accountability, ensuring compliance with applicable regulations, and serving as the implementation of the SSB's supervisory function over the bank's adherence to sharia principles.

OJK#1 explains that in POJK Number 12 of 2023 concerning Sharia Business Units, Article 1 states that a UUS is a work unit of the headquarters of a Conventional Commercial Bank (BUK) that functions as the head office for branches or units conducting business activities based on sharia principles, or a work unit at a branch office of a foreign bank that

⁴⁶ Isah Shittu et al., "Board Characteristics And Earnings Per Share Of Malaysian Islamic Banks," *International Journal Of Economics And Financial Issues* 6, no. 6 (2016): 6.

⁴⁷ Samy Nathan Garas, "The Performance Of Shari'a Supervisory Boards Within Islamic Financial Institutions In The Gulf Cooperation Council Countries," *Corporate Ownership And Control*, 2010, <https://virtusinterpress.org/THE-PERFORMANCE-OF-SHARI-A.html>.

conducts conventional business activities and functions as the head office for sharia sub-branches and/or sharia units. Meanwhile, the SSB is responsible for providing advice and recommendations to the board of directors and supervising UUS activities to ensure compliance with sharia principles. Sharia principles refer to Islamic legal principles based on fatwas and/or sharia compliance statements issued by authorized institutions in the field of sharia.

It is also stated in SEOJK No. 10/SEOJK.03/2020 concerning Transparency and Publication of Reports of Sharia Commercial Banks and Sharia Business Units that UUS must prepare, announce, and submit financial publication reports and financial performance information quarterly and annually. The quarterly financial publication report and financial performance information of the UUS must be signed by the member of the board of directors overseeing the UUS and one (1) member of the SSB.

OJK#1 states that based on these regulations, it can be concluded that although the UUS is institutionally part of a BUK, there are fundamental differences in fund management, and therefore, its financial report must also be separated. The SSB's signature on the report serves as a formal mechanism to affirm its role in maintaining compliance with sharia principles. Moreover, the SSB's involvement in the financial report also demonstrates the bank's commitment to sharia compliance, prevents deviations, enhances consumer and investor confidence, ensures transparency and accountability, reinforces regulatory compliance, and implements the SSB's supervisory role in monitoring the bank's adherence to sharia principles.

The involvement of SSB in UUS in signing of financial statements and quarterly performance disclosures is consistent with past studies that demonstrate SSB functions as to not only ensure sharia compliance in transactions, but also to guide the accounting process to align with sharia principles.⁴⁸ This regulatory requirement also aligns with normative and empirical studies demonstrating that SSB quality and characteristics contribute to stronger sharia compliance.⁴⁹

Our results also support the argument that the SSB's formal involvement through signing financial reports functions as a governance mechanism that strengthens transparency, accountability, and stakeholder trust. Prior research shows that active SSB engagement is positively associated with higher compliance with IFRS and AAOIFI disclosure standards.⁵⁰ Moreover, evidence that SSB expertise in accounting and finance is negatively associated with financial reporting fraud highlights the preventive dimension of SSB involvement in reporting, supporting regulatory claims that SSB participation reduces deviation risks and reinforces public confidence.⁵¹ Nevertheless, existing studies also caution that the effectiveness of this role depends heavily on SSB members' competence, independence, and workload, suggesting that continued regulatory strengthening is

⁴⁸ Rifaat Ahmed Abdel Karim, "The Nature And Rationale Of A Conceptual Framework For Financial Reporting By Islamic Banks," *Accounting And Business Research* 25, no. 100 (1995): 285.

⁴⁹ Alam et al., "The Influences Of Shariah Governance Mechanisms On Islamic Banks Performance And Shariah Compliance Quality."

⁵⁰ Oumayma Bechihi And Olfa Nafti, "Corporate Governance And Sharia Board: Enhancing Disclosure Compliance In Islamic Banks Of The MENA Region," *Journal Of Financial Reporting And Accounting*, (2025).

⁵¹ Anisykurlillah et al., "Examining The Role Of Sharia Supervisory Board Attributes In Reducing Financial Statement Fraud By Islamic Banks."

necessary to ensure that formal responsibilities—such as financial statement endorsement—translate into substantive oversight rather than symbolic compliance.⁵²

Conclusion

According to statutory regulations, the SSB has at least four technical duties that must be carried out. First, supervising the issuance of new bank products through a sharia opinion document, which is reported to OJK via the supervisory working paper on the bank's new product development process every semester. Second, conducting examinations of existing products, also reported to OJK through the supervisory working paper on the bank's activities each semester. Third, holding regular meetings at least once a month, which are recorded in the self-assessment document in the bank's GCG report. Fourth, signing the bank's financial report if it is still in the form of a sharia business unit.

This study only examines the SSB in sharia banks, while other sharia-based services such as insurance, cooperatives, and microfinance have not yet been discussed. In addition, the SSB studied here refers only to those in Indonesian sharia banks, not in other countries. Therefore, future research could explore the duties and functions of SSBs in other sharia-based financial services or conduct comparative analyses between SSBs of Indonesian sharia banks and those in other countries. Future research could also examine how variations in the competence mix, workload, and independence of SSB members shape the effectiveness of supervisory practices across different institutional settings. In addition, comparative and longitudinal studies could explore how changes in sharia governance regulations influence the evolution of SSB roles, role boundaries, and governance outcomes within Islamic banking systems.

Acknowledgments

The author expresses deep gratitude to all parties who contributed to the completion of this research. Special appreciation is extended to the Ministry of Religious Affairs of the Republic of Indonesia through the Litapdimas Program (Research, Scientific Publication, and Community Service) 2023, which provided funding support for this study.

The author also extends appreciation to the research participants who agreed to be interviewed for this study, as well as to the editors and reviewers of *Finansia* journal for their valuable feedback on this research.

Author Contributions Statement

YH contributed to developing the theoretical framework and conducting data analysis. MH was responsible for preparing the justification in the introduction section and data collection.

⁵² Mosab I. Tabash et al., "Ethical Legitimacy Of Islamic Banks And Shariah Governance: Evidence From Bangladesh," *Journal Of Public Affairs* 20, no. 4 (2020): 2487.

Bibliography

- AAOIFI. *Shari'ah Standard*. Dar AlMaiman, 2015. <http://aaoifi.com/wp-content/uploads/2020/09/AAOIFI-GS-1-Sharia-Supervisory-Board-Appointment-Composition-and-Report.pdf>.
- Abdullah, Mohammad. "Analysing The Role Of Shariah Supervisory Boards In Islamic Financial Institutions." SSRN Scholarly, Vol. 1, 2012. <https://doi.org/10.2139/ssrn.2217926>.
- Adinugraha, Hendri Hermawan., Nasution, Ismail Fahmi Arrauf., Faisal, Faisal. "Halal Tourism In Indonesia: An Indonesian Council Of Ulama National Sharia Board Fatwa Perspective." *The Journal Of Asian Finance, Economics And Business*, Vol. 8, No. 3, 2021. <https://doi.org/10.13106/jafeb.2021.vol8.no3.0665>.
- Ahmed, Muhammad Mushtaq., Uddin, Zia., And Iqbal, Muhammad. "The Role Of Shariah Board In Islamic Banks: Pakistan's Perspective." *Global Regional Review II*, No. 1, 2017. [https://doi.org/10.31703/grr.2017\(II-1\).25](https://doi.org/10.31703/grr.2017(II-1).25).
- Alam, Md. Kausar., Rahman, Suhaimi Ab., I, Mosab. Tabash, Oli Ahad Thakur, And Sharif Hosen. "Shariah Supervisory Boards Of Islamic Banks In Bangladesh: Expected Duties And Performed Roles And Functions." *Journal Of Islamic Accounting And Business Research*, Vol. 12, No. 2, 2021. <https://doi.org/10.1108/JIABR-02-2020-0035>.
- Alam, Md. Kausar., Rahman, Mohammad Mizanur., Runy, Mahfuza Kamal., Adedeji, Babatunji Samuel., And Hassan, Md. Farjin. "The Influences Of Shariah Governance Mechanisms On Islamic Banks Performance And Shariah Compliance Quality." *Asian Journal Of Accounting Research*, Vol. 7, No. 1, 2021. <https://doi.org/10.1108/AJAR-11-2020-0112>.
- Alam, Md Kausar., Rahman, Suhaimi Ab., Hossain, Md Shamim., And Hosen, Sharif. "Shariah Governance Practices And Regulatory Problems Of Islamic Insurance Companies In Bangladesh." *International Journal Of Academic Research In Business And Social Sciences*, Vol. 9, No. 1, 2019.
- Alam, Md Kausar, Rahman, Suhaimi Ab., Mustafa, Hasri., Shah, Sabarina Mohammed., And Hossain, Md Shamim. "Shariah Governance Framework Of Islamic Banks In Bangladesh: Practices, Problems And Recommendations." *Asian Economic And Financial Review*, Vol. 9, No. 1, 2019. <https://doi.org/10.18488/journal.aefr.2019.91.118.132>.
- Alam, Md. Kausar, I, Mosab., Tabash, T., Thakur, Oli Ahad., Rahman, Md., Siddiqui, Md., And Hasan, Sharif. "Independence And Effectiveness Of Shariah Department Officers To Ensure Shariah Compliance: Evidence From Islamic Banks In Bangladesh." *Asian Journal Of Accounting Research*, Vol. 7, No. 3, 2022. <https://doi.org/10.1108/AJAR-01-2022-0022>.
- Alfian, Ahmad Hijri., Purnamasari, Verina., And Nugrahini, Dian Essa. "FAST: A Conceptual Framework For Reducing Fraud Financial Statement In Financial Business Practice." *Springer International Publishing*, 2022. https://doi.org/10.1007/978-3-031-08812-4_34.

- Alimuddin, Agus. "Bentuk Akad-Akad Bernama Di Lembaga Keuangan Syariah." *Amal: Jurnal Ekonomi Syariah*, Vol. 2, No. 2, 2020. <https://doi.org/10.33477/eksy.v2i02.1716>.
- Ali, Amjid., Asutay, Mehmet., Bälz, Kilian. *The Role Of The Shariah Advisory Board In Islamic Finance*. Bloomsbury Information Ltd, 2010. <https://doi.org/10.5040/9781472920379>.
- Anisykurlillah, Indah., Jayanto, Prabowo Yudo., Mukhibad, Hasan., And Widyastuti, Umi. "Examining The Role Of Sharia Supervisory Board Attributes In Reducing Financial Statement Fraud By Islamic Banks." *Banks And Bank Systems*, Vol. 15, No. 3, 2020. [https://doi.org/10.21511/bbs.15\(3\).2020.10](https://doi.org/10.21511/bbs.15(3).2020.10).
- Budiyono, Iwan., And Sabilla, Chansera Kista. "Analysis Of The Influence Of Audit Committee, Sharia Supervisory Board, And Islamic Work Ethic On The Quality Of Sharia Bank Financial Statements In Indonesia." *AL-ARBAH: Journal Of Islamic Finance And Banking*, Vol. 3, No. 1, 2021. <https://doi.org/10.21580/al-arbah.2021.3.1.8066>.
- Bechihi, Oumayma., And Nafti, Olfa. "Corporate Governance And Sharia Board: Enhancing Disclosure Compliance In Islamic Banks Of The MENA Region." *Journal Of Financial Reporting And Accounting*, 2025. <https://doi.org/10.1108/JFRA-11-2024-0865>.
- Campbell, Steve., Greenwood, Melanie., Prior, Sarah. "Purposive Sampling: Complex Or Simple? Research Case Examples." *Journal Of Research In Nursing*, Vol. 25, No. 8, 2020. <https://doi.org/10.1177/1744987120927206>.
- Carter, Stacy M., Shih, Patti., Williams, Jane., Degeling, Chris., And Mooney-Somers, Julie. "Conducting Qualitative Research Online: Challenges And Solutions." *The Patient - Patient-Centered Outcomes Research*, Vol. 14, No. 6, 2021. <https://doi.org/10.1007/s40271-021-00528-w>.
- Dewindaru, Dini., And Sari, Ermina. "Can The Characteristics Of The Sharia Supervisory Board Increase The Trust Of Sharia Bank Customers?." *Journal Of Islamic Accounting And Finance Research*, Vol. 4, No. 1, 2022. <https://doi.org/10.21580/jiafr.2022.4.1.10686>.
- Elamer, Ahmed A., Ntim, Collins C., Abdou, Hussein., And Pyke, Christopher. "Sharia Supervisory Boards, Governance Structures And Operational Risk Disclosures: Evidence From Islamic Banks In MENA Countries." *Global Finance Journal*, Vol. 41, 2019. <https://doi.org/10.1016/j.gfj.2019.100488>.
- El-Halaby, Sherif., And Hussainey, Khaled. "Determinants Of Compliance With AAOIFI Standards By Islamic Banks." *International Journal Of Islamic And Middle Eastern Finance And Management*, Vol. 9, No. 1, 2016. <https://doi.org/10.1108/IMEFM-06-2015-0074>.
- Fachrurrozie, Ahmad Nurkhin., Wahyudin, Agus., Kholid, Al Mamnukhin., And Agustina, Ika. "The Effect Of Profitability, Size And Shariah Supervisory Board Of An Indonesian Islamic Bank On The Islamic Social Reporting Disclosure." *Banks And Bank Systems*, Vol. 16, No. 3, 2021. [https://doi.org/10.21511/bbs.16\(3\).2021.08](https://doi.org/10.21511/bbs.16(3).2021.08).

- Fahrurrozi, Ahmad., And Fasieh, Muh Alim. "The Effect Of Sharia Supervisory Board (DPS), Board Of Directors, And Board Of Commissioners On The Financial Performance Of Sharia People Financing (BPRS)." *Indonesian Journal Of Islamic Economics Research*, Vol. 2, No. 1, 2020. <https://doi.org/10.18326/ijer.v2i1.3560>.
- Fakhruddin, Iwan., Setyadi, Edi., And Pramono, Hadi. "The Effects Of Shariah Supervisory Board Education Qualifications, Number Of Shariah Supervisory Board Meetings And Management Bonus Compensation On Earnings Management." *Paper Presented At Proceedings Of The 2nd International Conference Of Business, Accounting And Economics*, 2020. <https://eudl.eu/doi/10.4108/eai.5-8-2020.2301215>.
- Fatmawati, Dewi., Ariffin, Noraini Mohd., Abidin, Nor Hafizah Zainal., And Osman, Ahmad Zamri. "Shariah Governance In Islamic Banks: Practices, Practitioners And Praxis." *Global Finance Journal*, Vol. 51, 2022. <https://doi.org/10.1016/j.gfj.2020.100555>.
- Fauzi, Wetria. "Sharia Supervisory Board (SSB) Function Supervision In The Application Of Tabarru' Concept In Sharia Insurance In Indonesia." *Proceedings Of Tourism Development Centre International Conference*, 2020. <https://doi.org/10.2478/9788395720406-025>.
- Garas, Samy Nathan. "The Performance Of Shari'a Supervisory Boards Within Islamic Financial Institutions In The Gulf Cooperation Council Countries." *Corporate Ownership And Control*, 2010. <https://virtusinterpress.org/THE-PERFORMANCE-OF-SHARI-A.html>.
- Haridan, Norhazlin., Hassan, Azhar., And Karbhari, Yusuf. "Governance, Religious Assurance And Islamic Banks: Do Shariah Boards Effectively Serve?" *Journal Of Management And Governance*, Vol. 22, No. 4, 2018. <https://doi.org/10.1007/s10997-018-9418-8>.
- Hasibuan, Ahmad Fauzul Hakim., Fuadi, Fuadi., And Syahputra, Angga. "The Effect Of The Sharia Supervisory Board And The Board Of Commissioners On The Financial Performance Of Sharia Commercial Banks In Indonesia." *AT-TIJARAH: Jurnal Penelitian Keuangan Dan Perbankan Syariah*, Vol. 3, No. 1, 2021. <https://doi.org/10.52490/at-tijarah.v3i1.1273>.
- Heath, Jennifer., Williamson, Heidi., Williams, Lisa., And Harcourt, Diana. "'It's Just More Personal': Using Multiple Methods Of Qualitative Data Collection To Facilitate Participation In Research Focusing On Sensitive Subjects." *Applied Nursing Research*, 2018. <https://doi.org/10.1016/j.apnr.2018.06.015>.
- Hussain, Talat., And Azez, Tariq. "The Role Of Shariah Board In Islamic Banks: Evidence From Pakistan, Bahrain, Qatar And Bangladesh." *Journal Of Emerging Finance And Social Sciences*, Vol. 1, No. 2, 2021.
- Hussien, Mohammed Ebrahim., Alam, Md. Mahmudul., Murad, Md. Wahid., And Wahid, Abu N. M. "The Performance Of Islamic Banks During The 2008 Global Financial Crisis: Evidence From The Gulf Cooperation Council Countries." *Journal Of Islamic Accounting And Business Research*, Vol. 10, No. 3, 2019. <https://doi.org/10.1108/JIABR-01-2017-0011>.

- Ismail, Faiza. "Irish Financial Regulators Regulating Shariah Supervisory Boards." In *Islamic Finance In The Financial Markets Of Europe, Asia And America*, 2022.
- Kachkar, Omar., And Yilmaz, Mustafa K. "How Diverse Are Shariah Supervisory Boards Of Islamic Banks? A Global Empirical Survey." *International Journal Of Ethics And Systems*, 2022. <https://doi.org/10.1108/IJOES-10-2021-0195>.
- Karim, Md Rezaul., And Shetu, Samia Afrin. "Level Of Shariah Compliance In The Operation Of Islamic Banks In Bangladesh: An Empirical Study." *International Journal Of Islamic Economics And Finance Studies*, Vol. 6, No. 3, 2020. <https://doi.org/10.25272/ijisef.755679>.
- Karim, Rifaat Ahmed Abdel. "The Nature And Rationale Of A Conceptual Framework For Financial Reporting By Islamic Banks." *Accounting And Business Research*, Vol. 25, No. 100, 1995. <https://doi.org/10.1080/00014788.1995.9729916>.
- Maulid, Ilham., And Amirsyah, Amirsyah. "Analysis Of The Hajj Fund Management Based On The Fatwa Of The National Sharia Council (DSN) Number 122 Concerning The Management Of BPIH Fund And Special BPIH Based On Sharia Principles." *ADI Journal On Recent Innovation*, Vol. 3, No. 1, 2021. <https://doi.org/10.34306/ajri.v3i1.490>.
- Mediawati, Elis. "The Quality Of Financial Reporting: Sharia Supervisory Board Role In Zakat Management Organization." *Atlantis Press*, 2016. <https://doi.org/10.2991/icse-15.2016.14>.
- Meutia, Inten., Aryani, Desi., And Widyastuti, Sari Mustika. "Characteristics Of The Sharia Supervisory Board And Its Relevance To Islamic Social Reporting At Islamic Banks In Indonesia." *EKUITAS (Jurnal Ekonomi Dan Keuangan)*, Vol. 3, No. 1, 2019. <https://doi.org/10.24034/j25485024.y2019.v3.i1.4160>.
- Minaryanti, Annisa Adha., And Mihajat, Muhammad Iman Sastra. "A Systematic Literature Review On The Role Of Sharia Governance In Improving Financial Performance In Sharia Banking." *Journal Of Islamic Accounting And Business Research*, Vol. 14, No. 4, 2023. <https://doi.org/10.1108/JIABR-08-2022-0192>.
- Minaryanti, Annisa Adha., Fitrijanti, Tri., Sukmadilaga, Citra., And Mihajat, Muhammad Iman Sastra. "The Role Of Sharia Governance In Minimizing Credit Risk In Islamic Banking: A Systematic Literature Review." *Journal Of Islamic Accounting And Business Research*, Vol. 15, No. 1, 2024. <https://doi.org/10.1108/JIABR-11-2022-0301>.
- Mohajan, Haradhan Kumar. "Qualitative Research Methodology In Social Sciences And Related Subjects." *Journal Of Economic Development, Environment And People*, Vol. 7, No. 1, 2018.
- Mohammed, Sulaiman Abdullah Saif Al-Nasser., And Muhammed, Jorah. "The Relationship Between Agency Theory, Stakeholder Theory And Shariah Supervisory Board In Islamic Banking: An Attempt Towards Discussion." *Humanomics*, Vol. 33, No. 1, 2017. <https://doi.org/10.1108/H-08-2016-0062>.
- Musleh Alsartawi, Abdalmuttaleb. "Performance Of Islamic Banks: Do The Frequency Of Shari'ah Supervisory Board Meetings And Independence Matter?" *ISRA International*

Journal Of Islamic Finance 11, No. 2, 2019. <https://doi.org/10.1108/IJIF-05-2018-0054>.

- Muzari, Tapiwa., Shava, Goerge Nevers., And Shonhiwa, Samantha. "Qualitative Research Paradigm, A Key Research Design For Educational Researchers, Processes And Procedures: A Theoretical Overview." *Indiana Journal Of Humanities And Social Sciences*, Vol. 3, No. 1, 2022.
- Najwa, Nur Athirah., Ramly, Zulkufly., And Haron, Razali. "Board Size, Chief Risk Officer And Risk-Taking In Islamic Banks: Role Of Shariah Supervisory Board." *Jurnal Pengurusan (UKM Journal Of Management)*, Vol. 57, No. 0, 2020. <http://ejournal.ukm.my/pengurusan/article/view/27457>.
- Njie, Baboucarr., And Asimiran, Soaib. "Case Study As A Choice In Qualitative Methodology." *IOSR Journal Of Research & Method In Education (IOSRJRME)*, Vol. 4, No. 3, 2014. <https://doi.org/10.9790/7388-04313540>.
- Nugraheni, Peni. "Sharia Supervisory Board And Social Performance Of Indonesian Islamic Banks." *Jurnal Akuntansi Dan Auditing Indonesia*, 2018. <https://doi.org/10.20885/jaai.vol22.iss2.art6>.
- Nugraheni, Peni., And Khasanah, Erlinda Nur. "Implementation Of The AAOIFI Index On CSR Disclosure In Indonesian Islamic Banks." *Journal Of Financial Reporting And Accounting*, Vol. 17, No. 3, 2019. <https://doi.org/10.1108/JFRA-02-2018-0013>.
- Nawaz, Tasawar., Haniffa, Roszaini., And Hudaib, Mohammad. "On Intellectual Capital Efficiency And Shariah Governance In The Islamic Banking Business Model." *International Journal Of Finance & Economics*, Vol. 25, No. 4, 2020. <https://doi.org/10.1002/ijfe.1986>.
- Pace, Doreen Said. "Probability And Non-Probability Sampling - An Entry Point For Undergraduate Researchers." *International Journal Of Quantitative And Qualitative Research Methods*, Vol. 9, No. 2, 2021. <https://papers.ssrn.com/abstract=3851952>.
- Pratama, Bima Cinintya., Kamaluddin, Amrizah., And Saad, Shukriah. "The Effect Of Intellectual Capital And Shariah Supervisory Boards On Social Performance Of Islamic Banks." *Journal Of Emerging Economies And Islamic Research*, Vol. 9, No. 3, 2021. <https://doi.org/10.24191/jeeir.v9i3.14596>.
- Roulston, Kathryn., And Choi, Myungweon. "Qualitative Interviews." In *The SAGE Handbook Of Qualitative Data Collection*. SAGE, 2018.
- Shittu, Isah., Ahmad, Ayoib Che., And Ishak, Zuaini. "Board Characteristics And Earnings Per Share Of Malaysian Islamic Banks." *International Journal Of Economics And Financial Issues*, Vol. 6, No. 6, 2016.
- Tabash, Mosab I., Alam, Md. Kausar., And Rahman, Md. "Ethical Legitimacy Of Islamic Banks And Shariah Governance: Evidence From Bangladesh." *Journal Of Public Affairs*, Vol. 20, No. 4, 2020. <https://doi.org/10.1002/pa.2487>.

- Taufik, Muhammad. "Can Shari'ah Supervisory Board And Islamic Bank Characteristics Reduce Tax Avoidance? Evidence In Indonesia And Malaysia." *Journal Of Financial Crime*, 2022. <https://doi.org/10.1108/JFC-03-2022-0059>.
- Thalib, Prawitra., Sabrie, Hilda Yunita., And Kurniawan, Faizal. "The Function Of Sharia Supervisory Board In Financing Practices By Sharia Bank In Indonesia." *Business & Management Studies: An International Journal*, Vol. 6, No. 4, 2018. <https://doi.org/10.15295/Bmij.V6i4.308>.
- Ulussever, Talat. "Corporate Governance And Risk Aggressiveness Of Islamic Banks Against The Recent Financial Crisis." *Studies Of Applied Economics*, Vol. 37, No. 3, 2019. <https://doi.org/10.25115/eea.v37i3.2793>.
- Waqqosh, Abi., Yusfa, Fani Hairani, Sudiarti, Sri., Fadillah, Tri Dessya., And Amin, Haris Al. "The Role Of The Sharia Supervisory Board (DPS) In Supervision Of Contract Implementation At The Binjai Branch Bri Sharia." *E-Mabis: Jurnal Ekonomi Manajemen Dan Bisnis*, Vol. 22, No. 1, 2021. <https://doi.org/10.29103/e-mabis.v22i1.657>.
- Wijayanti, Rita., And Setiawan, Doddy. "Social Reporting By Islamic Banks: The Role Of Sharia Supervisory Board And The Effect On Firm Performance." *Sustainability*, Vol. 14, No. 17, 2022. <https://doi.org/10.3390/su141710965>.
- Zakiah, Fajria., Prasojaraharto, Prayogo., And Mardian, Sepky. "The Role Of The Sharia Supervisory Board In The Relationship Of Third-Party Fund And Profits." *Journal Of Islamic Accounting And Finance Research*, Vol. 3, No. 2, 2021. <https://doi.org/10.21580/jiafr.2021.3.2.9554>.