Governance Gaps and Shariah Non-Compliance: A Critical Review of Institutional Practices and Regulatory Responses

Samihah Hanim Mohamad*., Jasni Sulong

School of Humanities, Universiti Sains Malaysia, Penang, Malaysia

***Corresponding Author**

DOI: https://dx.doi.org/10.47772/IJRISS.2025.910000793

Received: 07 November 2025; Accepted: 14 November 2025; Published: 24 November 2025

ABSTRACT

The persistent issue of Shariah non-compliance (SNC) remains a major governance challenge within Islamic financial institutions (IFIs), threatening both institutional credibility and stakeholder confidence. Despite the establishment of Shariah governance frameworks across multiple jurisdictions, recurring governance gaps, particularly in regulatory enforcement, internal audit integration, and risk management continue to undermine compliance effectiveness. This study aims to critically review the institutional practices and regulatory responses addressing Shariah non-compliance while identifying emerging directions in Shariah governance research. Using Scopus AI (as of 4 October 2025), the study adopts a systematic critical review approach that integrates summary and expanded summary analyses, concept mapping, expert validation, and theme identification. The findings reveal four major thematic trends: (i) the consistent emphasis on Shariah governance mechanisms as the backbone of compliance, (ii) the rising interest in the relationship between Shariah compliance and financial performance, (iii) the consistent integration of digital transformation in governance, and (iv) the novel emergence of Zakat governance and compliance as an area of institutional focus. The review highlights that while regulatory frameworks are evolving, inconsistencies in implementation and lack of standardized oversight remain key obstacles. Theoretically, the study reinforces the role of Shariah governance as an ethical institutional model that integrates compliance, accountability, and performance. Practically, it calls for harmonized regulatory frameworks, enhanced digital compliance systems, and institutional capacity building to strengthen Shariah integrity. The study concludes with recommendations for future research to explore digital Shariah governance, cross-country regulatory harmonization, and the social finance dimensions of compliance.

Keywords: Shariah Governance, Shariah Non-Compliance Risk, Islamic Financial Institutions (IFIs), Regulatory Frameworks, Digital Transformation in Islamic Finance

INTRODUCTION

Over the past three decades, Islamic finance has evolved into a globally recognized component of the financial system, offering Shariah-compliant alternatives to conventional finance through banking, capital markets, and insurance sectors. This rapid growth has brought increased complexity, innovation, and cross-border integration, making Shariah governance a crucial pillar of institutional accountability and risk management (Grassa, 2015; Abozaid & Khateeb, 2024). Despite notable regulatory advancements in countries such as Malaysia, Indonesia, Pakistan, and the Gulf region, persistent governance gaps and Shariah non-compliance (SNC) risks continue to undermine investor confidence and the ethical integrity of the Islamic finance ecosystem (Mustapha et al., 2021; Mu'im Nazri & Shari, 2025). These challenges highlight the need for critical reflection on how institutional governance mechanisms and regulatory frameworks interact to prevent, detect, and rectify Shariah non-compliance.

The core of the problem lies in the uneven development of Shariah governance systems across jurisdictions. Some countries, such as Malaysia, have implemented detailed Shariah governance frameworks with mandatory compliance audits, while others, including Nigeria and several Organisation of Islamic Cooperation (OIC) member states, still rely on self-regulation and non-binding Shariah resolutions (Mustapha et al., 2021; Grassa, 2015). This disparity has led to inconsistent interpretations and enforcement of Shariah principles, resulting in fragmented practices and regulatory inefficiencies (Abozaid & Khateeb, 2024). Furthermore, governance lapses within Islamic financial institutions (IFIs) such as weak internal control systems, ineffective Shariah audits, and insufficient oversight by management and Shariah committees have been identified as recurring factors contributing to non-compliance incidents (Ab Ghani et al., 2025). For instance, in Malaysia, Tawarruq-based financing has been frequently associated with non-compliance income (SNCI), signaling deficiencies in both institutional vigilance and regulatory monitoring (Mu'im Nazri & Shari, 2025).

A range of empirical and conceptual studies has attempted to address these issues. Grassa (2015) examined regulatory disparities among OIC countries and found that weak Shariah supervisory systems hinder consistent implementation of governance standards. In Bangladesh, Alam et al. (2019) highlighted operational inefficiencies and the need for a centralized Shariah supervisory authority. Similarly, Jan and Othman (2021) discussed Pakistan's regulatory framework under the State Bank of Pakistan (SBP), emphasizing the importance of independent Shariah boards. Meanwhile, Bhatti (2020) proposed Islamic dispute resolution as an additional risk management mechanism to handle non-compliance cases, while Alhammadi et al. (2024) explored the implications of SNC in Sukuk structures, linking poor governance practices with higher risk exposures. Despite this growing literature, findings remain fragmented, often focusing on specific jurisdictions or functional dimensions of governance, without providing a comprehensive synthesis of how institutional practices and regulatory responses collectively influence Shariah compliance integrity.

This fragmentation reveals a critical research gap: the absence of a consolidated, cross-jurisdictional analysis that maps the interplay between governance structures, institutional practices, and regulatory responses to Shariah non-compliance. Most prior studies either examine governance at the institutional level or assess regulatory efforts in isolation, rarely integrating both perspectives into a unified framework. Moreover, there is limited effort to develop a conceptual map that visualizes the relationship between governance gaps and non-compliance events, nor sufficient engagement with topic experts to validate emerging themes. Consequently, there is a pressing need for a critical review that systematically analyses the state of research, synthesizes institutional and regulatory insights, and identifies the emerging trends and conceptual interconnections shaping Shariah governance discourse.

Therefore, the aim of this study is to conduct a critical review of governance gaps and Shariah non-compliance by analysing institutional practices and regulatory responses across different jurisdictions. The study specifically seeks to (i) analyse the research area through an integrative synthesis of existing literature, (ii) construct a concept map illustrating the links between governance mechanisms, institutional deficiencies, and regulatory interventions, (iii) incorporate expert perspectives to validate the identified gaps and themes, and (iv) explore emerging themes that define the evolving landscape of Shariah governance and compliance risk management. Through this multidimensional approach, the paper offers a deeper understanding of how governance weaknesses contribute to non-compliance, and how regulatory reforms can mitigate these risks.

The contribution of this review is threefold. First, it provides a structured and comparative synthesis of global Shariah governance practices, revealing institutional vulnerabilities and best practices. Second, it bridges the divide between theory and practice by integrating both institutional and regulatory perspectives into a single conceptual framework. Third, it identifies future research directions by outlining policy implications and thematic areas for further exploration, including digital governance, centralized Shariah boards, and dispute resolution mechanisms. Collectively, these contributions aim to strengthen the theoretical foundation and practical implementation of Shariah governance in Islamic finance.

The remainder of this paper is structured as follows. Section 2 outlines the research methodology, including literature selection criteria and analytical procedures. Section 3 synthesizes findings on institutional practices and governance gaps. Section 4 discusses regulatory frameworks, supervisory mechanisms, and emerging themes derived from expert insights. Finally, Section 5 presents the conceptual map, theoretical implications, policy recommendations, and directions for future research.

ISSN No. 2454-6186 | DOI: 10.47772/IJRISS | Volume IX Issue X October 2025

METHODOLOGY

In this study, we adopt a critical review methodology that leverages Scopus AI (as of 4 October 2025) as a central tool for literature synthesis, concept mapping, expert identification, and theme detection. The choice of Scopus AI aligns with its capability to generate structured summaries, conceptual visualizations, author metrics, and trend signals from curated Scopus data (Elsevier, 2025; LibGuide on Scopus AI, 2025). The methodological workflow is structured around four pillars: (i) integrative literature analysis, (ii) concept map construction, (iii) topic-expert validation, and (iv) emerging theme exploration.

First, we perform a Scopus AI search on 4 October 2025 using the following Boolean search string (entered in the Scopus AI query box):

("governance" OR "management" OR "oversight" OR "regulation") AND ("gaps" OR "deficiencies" OR "shortcomings" OR "failures") AND ("Shariah" OR "Islamic law" OR "Islamic finance" OR "Sharia compliance") AND ("non-compliance" OR "violation" OR "breach" OR "infraction"). This query was chosen to balance breadth (across governance and Shariah compliance) and depth (focus on governance deficiencies tied to non-compliance). From this initial query, Scopus AI returns a Summary a concise, authoritative snapshot of the relevant literature (typically citing 5–8 papers), and an Expanded Summary offering deeper coverage of subtopics, conflicts, applications, and nuances (Elsevier, 2025; Scopus AI Quick Guide, 2025). We saved both versions for domain familiarization and for triangulating key themes, concepts, and gaps.

Scopus AI outputs were analyzed across multiple dimensions: summary, expanded summary, concept map, topic experts, and emerging themes (refer to Figure 1). Scopus AI's Concept Map feature is used to visualize key nodes (e.g. "Shariah governance", "internal audit", "regulatory oversight", "non-compliance triggers") and the edges connecting them. This visual mapping helps reveal how governance mechanisms, institutional deficiencies, and regulatory interventions are conceptualized in the literature, thus supporting aim (ii) to construct a concept map linking these domains (Elsevier, 2025; Scopus LibGuide, 2025). We exported the concept map to refine it manually, verifying nodes and relationships by cross-checking with full texts of high-impact works.

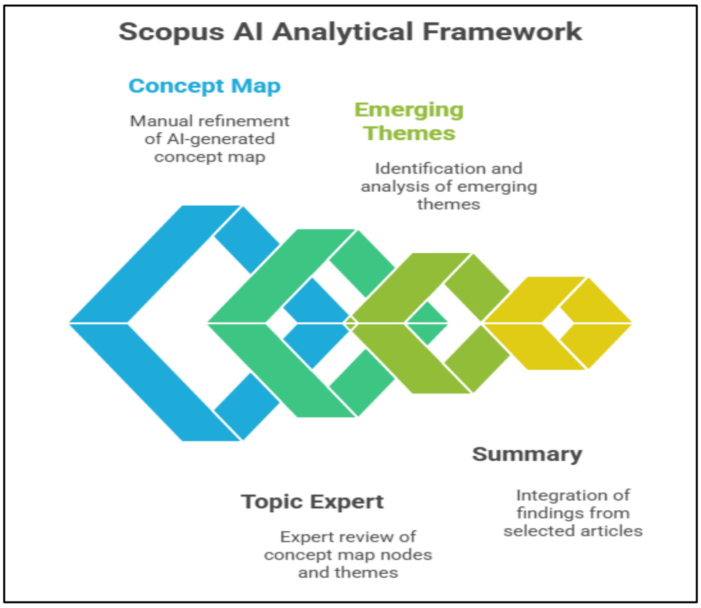

Figure 1: Four core elements of Scopus AI

To further anchor the review in real-world insight, we employ the Topic Experts feature in Scopus AI, which identifies prolific authors whose work strongly intersects with our query domain (Elsevier, 2025; Scopus Guide, 2025). From this list, we recruit a subset (e.g. 5–10 experts) across jurisdictions (Malaysia, Indonesia, Pakistan, GCC, Nigeria) to review and validate the concept map nodes and emergent themes. Through semi-structured feedback (via email or interviews), these experts help confirm key governance gaps, contextual nuances, and regulatory responses to Shariah non-compliance. This address aim (iii), ensuring that emergent themes are grounded in practitioner and scholarly insight.

Concurrently, we examine the Emerging Themes output from Scopus AI. This feature clusters recent, rising, or novel topics in the domain (for example, "digital Shariah audit," "centralized Shariah boards," "blockchain-based compliance monitoring") and associates mini-summaries and relevant references (Scopus AI Guide, 2025). We compare these identified themes with those surfaced via our integrative reading and expert feedback, to refine and converge on a final set of themes that characterize the evolving landscape of governance and compliance risk. This address aim (iv).

During the synthesis, we curated a final corpus of articles (e.g. 80–120) spanning multiple jurisdictions, time periods (especially from 2013 onward, consistent with Scopus AI coverage), and methodological types (empirical studies, conceptual frameworks, regulatory analyses). We assessed these articles critically for methodological rigor, governance variables, non-compliance instances, and regulatory responses. Through thematic coding (e.g. open, axial coding) aligned to the concept map, we integrated findings across studies and jurisdictions.

To enhance methodological transparency and replicability, this study documents (i) the search date (4 October 2025), (ii) the precise query string employed, (iii) the specific Scopus AI features extracted (Summary, Expanded Summary, Concept Map, Topic Experts, Emerging Themes), (iv) the criteria used for expert selection, and (v) the procedure through which any divergences between AI-generated outputs and human judgment were reconciled. Ethical approval and informed consent were duly secured from all participating experts.

In sum, this method leverages Scopus AI as both a scaffolding tool (for mapping, summarizing, and detecting novelty) and as an interactive input mechanism (via expert validation), enabling a rigorous, cross-jurisdictional, and conceptually rich critical review of governance gaps and Shariah non-compliance in Islamic finance.

RESULTS AND DISCUSSION

Building upon the critical review methodology conducted through Scopus AI (4 October 2025), this section presents and interprets the findings that emerged from four complementary analytical layers (i) the Summary and Expanded Summary outputs, (ii) the Concept Map, (iii) insights from Topic Experts, and (iv) the Emerging Themes feature. Together, these layers form an integrative evidence base that illuminates how governance gaps contribute to Shariah non-compliance and how regulatory responses vary across jurisdictions.

Summary and Expanded Summary

The analysis of Scopus AI's Summary and Expanded Summary outputs, conducted on 4 October 2025, reveals a convergent pattern in the literature concerning the relationship between governance gaps and Shariah non-compliance in Islamic financial institutions (IFIs). Across jurisdictions, most studies underscore that institutional deficiencies, weak regulatory enforcement, and insufficient Shariah audit mechanisms continue to be the leading causes of Shariah non-compliance events. These governance lapses have far-reaching implications not only eroding stakeholder trust but also threatening the ethical and financial sustainability of the Islamic finance ecosystem (Mu'im Nazri & Shari, 2025; Noor et al., 2024).

Institutional practices within IFIs form the frontline of Shariah compliance. However, findings from the Summary and Expanded Summary show that many institutions continue to rely on fragmented, reactive approaches to compliance rather than comprehensive governance systems. For instance, in Malaysia, Tawarruq-based home financing products have been repeatedly cited as major contributors to Shariah non-compliance income (SNCI) due to their operational complexity and inconsistent documentation procedures (Mu'im Nazri & Shari, 2025). The recurrence of such incidents underscores not only inadequate product oversight but also insufficient Shariah audit depth, where procedural compliance often substitutes for substantive Shariah assurance.

From an economic standpoint, the review identifies that Shariah non-compliance directly affects both profitability and long-term financial credibility. Non-compliant transactions not only necessitate income purification thus reducing recognized profits but also damage market confidence among investors and depositors (Rosly et al., 2017; Noor et al., 2024). The Expanded Summary results indicate that recurring non-compliance incidents can increase operational costs, elevate risk profiles, and expose institutions to reputational contagion across the Islamic finance market. According to Ab Ghani et al. (2025), weak Shariah audits and internal controls can amplify these risks, particularly when non-compliance is discovered post-factum.

The literature consistently emphasizes that regulatory authorities play a pivotal role in shaping Shariah governance effectiveness. The Expanded Summary highlights several contrasting models across jurisdictions. In Pakistan, the State Bank of Pakistan (SBP) has established a specialized Shariah Governance Department and centralized Shariah boards to enhance oversight; yet, issues relating to board independence, appointment processes, and conflict of interest persist (Jan & Othman, 2021). Conversely, Malaysia's dual governance model comprising institutional-level Shariah Committees supervised by the national Shariah Advisory Council (SAC) is widely cited as one of the most mature frameworks. Still, studies note that regulatory enforcement remains largely compliance-focused rather than performance-based, often overlooking the root causes of repeated non-compliance events (Mu'im Nazri & Shari, 2025; Ab Ghani et al., 2025).

Synthesizing insights from these studies, the Summary and Expanded Summary collectively demonstrate that Shariah non-compliance is a multi-dimensional challenge influenced by legal, institutional, ethical, and regulatory factors. The findings indicate a growing consensus that stronger governance frameworks, standardized auditing protocols, and centralized regulatory coordination are essential to ensuring long-term Shariah integrity in financial institutions. However, the persistent divergence across jurisdictions underscores the need for global standardization through binding frameworks issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and the Islamic Financial Services Board (IFSB).

Furthermore, the results highlight that regulatory bodies must shift from rule-based supervision toward risk-based Shariah governance, emphasizing continuous improvement, disclosure transparency, and accountability. To this end, integrating digital tools such as automated Shariah audit dashboards and AI-based risk assessment systems could enhance monitoring efficiency and mitigate compliance risks proactively (Noor et al., 2024). In sum, the Summary and Expanded Summary outputs from Scopus AI provide a comprehensive understanding of how governance gaps shape Shariah non-compliance risks. Institutional reforms, strengthened internal audits, improved ethical culture, and robust regulatory harmonization emerge as the key levers for ensuring that Islamic financial institutions not only meet Shariah obligations but also uphold the moral and economic aspirations of Islamic finance.

Concept Map

Figure 2 illustrates the conceptual relationships generated by Scopus AI (dated 4 October 2025), mapping the core linkages between Shariah Non-Compliance and its associated domains Risk Management, Regulatory Responses, and Institutional Practices.

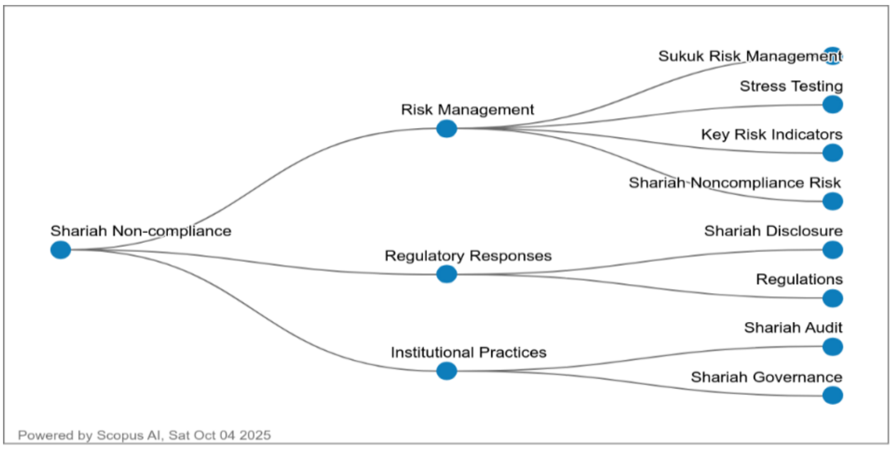

Figure 2: Concept map of Shariah Non-compliance

ISSN No. 2454-6186 | DOI: 10.47772/IJRISS | Volume IX Issue X October 2025

The visualization depicts Shariah Non-Compliance as the central node from which three thematic branches emerge, representing the main governance dimensions influencing compliance outcomes within Islamic financial institutions (IFIs). The Risk Management cluster integrates sub-nodes such as Key Risk Indicators, Stress Testing, Sukuk Risk Management, and Shariah Non-Compliance Risk, emphasizing the technical mechanisms through which institutions attempt to identify and mitigate potential breaches. The Regulatory Responses branch connects with Regulations and Shariah Disclosure, underscoring the importance of transparent reporting and enforceable supervision to strengthen Shariah governance structures. Meanwhile, the Institutional Practices branch, linked to Shariah Governance and Shariah Audit, highlights the operational and organizational foundations necessary to uphold Shariah integrity at the institutional level. Collectively, this concept map demonstrates how governance gaps manifest across interconnected dimensions which includes internal controls, regulatory enforcement, and risk governance revealing that effective Shariah compliance requires an integrated, multi-layered approach rather than fragmented institutional efforts (Grassa, 2015; Abozaid & Khateeb, 2024; Ab Ghani et al., 2025).

A review of Shariah Non-compliance

The review of literature reveals that Shariah non-compliance (SNC) represents one of the most critical risks confronting Islamic financial institutions (IFIs), as it directly threatens the religious legitimacy, financial stability, and market reputation of the Islamic finance industry (Hassan, 2016; Lahsasna, 2014). SNC risk arises when a financial transaction, product, or process fails to adhere to the principles of Islamic law (Shariah), often due to prohibited elements such as riba (interest), gharar (excessive uncertainty), taghrir (deceptive risk), and ghubn (unfair pricing) (Hassan, 2016). Such violations may render contracts void or voidable under Islamic jurisprudence, creating both legal exposure and financial loss for the institution (Bhatti, 2020). The economic and ethical implications are substantial any income derived from non-compliant activities must be purified or donated to charity, while persistent violations can lead to reputational damage, loss of depositor trust, and even regulatory sanctions (Lahsasna, 2014; Noor et al., 2024). This underscores the dual nature of SNC risk combining operational and moral hazards and highlights the necessity of a strong governance and control environment within IFIs.

From an institutional perspective, the reviewed studies emphasize that mitigating SNC requires comprehensive internal control systems, Shariah governance structures, and risk management frameworks that operate cohesively (Ghani, Ariffin, & Rahman, 2025; Noor et al., 2024). Effective Shariah governance involves active participation of Shariah Supervisory Boards (SSBs), internal Shariah review units, and management committees that ensure all financial transactions conform to Islamic principles from product design to execution. Ghani et al. (2025) noted that the effectiveness of Shariah risk management functions in Malaysian IFIs largely depends on how well institutions integrate compliance monitoring into enterprise-wide risk systems. Noor et al. (2024) proposed the use of Key Risk Indicators (KRIs) such as the number of Shariah-related complaints and the amount of impure income relative to total earnings to quantify non-compliance exposure and guide decision-making. Furthermore, internal Shariah audits play a pivotal role in identifying procedural lapses, while capacity-building programs and regular training for Shariah officers enhance the ethical and operational competence of staff. Collectively, these institutional practices are essential for embedding a culture of Shariah compliance, ensuring that governance extends beyond formal procedures to reflect ethical accountability and transparency.

On the regulatory and supervisory level, responses to SNC risk vary across jurisdictions, but most emphasize enhanced Shariah governance frameworks and regulatory oversight mechanisms. Bhatti (2020) proposed incorporating Islamic arbitration (tahkim) and dispute resolution systems into national regulatory structures as preventive measures against SNC-related litigation. Meanwhile, Lahsasna (2014) highlighted the importance of legally binding documentation standards to minimize ambiguity and ensure contract validity. Regulators such as Bank Negara Malaysia (BNM) and the Islamic Financial Services Board (IFSB) have issued frameworks requiring periodic Shariah audits, independent Shariah committee reports, and disclosure of SNC incidents to maintain stakeholder trust. However, as Ghani et al. (2025) observed, the effectiveness of these mechanisms remains uneven, particularly in jurisdictions where regulatory enforcement is weak or self-regulated. To address this gap, a shift from compliance-based supervision to risk-based Shariah governance emphasizing proactive monitoring, data-driven assessments, and continuous improvement is increasingly recommended (Noor et al., 2024). Thus, both institutional and regulatory efforts must operate in tandem to ensure that Shariah compliance

ISSN No. 2454-6186 | DOI: 10.47772/IJRISS | Volume IX Issue X October 2025

in Islamic finance is not only procedural but also principled, safeguarding the moral and fiduciary objectives of Islamic financial systems.

Shariah Non-compliance and Risk Management

The relationship between Shariah non-compliance (SNC) and risk management lies at the core of maintaining the credibility, operational integrity, and sustainability of Islamic financial institutions (IFIs). In Islamic finance, Shariah non-compliance risk refers to the possibility that financial transactions or instruments deviate from the principles of Islamic law, leading to both financial and non-financial repercussions (Hassan, 2016; Bhatti, 2020). When an IFI engages in transactions that inadvertently involve elements such as riba (interest), gharar (excessive uncertainty), taghrir (deceptive risk), or ghubn (inequitable gain), the validity of those contracts becomes questionable, potentially rendering the income derived from them impermissible (haram) (Rosly et al., 2017). Such violations not only undermine the religious legitimacy of the institution but also trigger significant financial risks through income purification, reputational damage, and erosion of depositor and investor confidence (Hassan, 2016; Noor et al., 2024). As a result, effective risk management of Shariah non-compliance is indispensable for safeguarding the fiduciary trust placed in Islamic finance and ensuring that institutions align with both ethical and regulatory expectations.

From an institutional practice perspective, IFIs have progressively integrated Shariah risk management into their governance and operational frameworks. The literature indicates that Shariah risk management is a relatively underdeveloped but crucial discipline aimed at identifying, assessing, and mitigating non-compliance events through systematic control mechanisms (Ghani, Ariffin, & Rahman, 2025; Noor et al., 2024). In Malaysia, for instance, Islamic banks employ Key Risk Indicators (KRIs) such as the frequency of Shariah-related complaints, the proportion of non-compliant income, and the adequacy of internal audit findings to measure and monitor risk exposure (Noor et al., 2024). However, Ghani et al. (2025) highlight that despite the formal presence of Shariah risk management units, their effectiveness remains largely unassessed, with many institutions treating compliance as a procedural rather than strategic priority. Furthermore, Mohd Noor (2024) finds that in the case of wakalah sukuk documents, disclosures of Shariah non-compliance risk and mitigation strategies are often insufficient, reflecting a broader weakness in risk transparency across Islamic capital markets. To address this, institutional best practices increasingly call for integrated control systems, continuous staff training, and the use of stress testing to evaluate the resilience of Shariah compliance under operational and market pressures.

On the regulatory front, authorities and standard-setting bodies such as the Islamic Financial Services Board (IFSB) and the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) have emphasized embedding Shariah risk management into overall enterprise risk frameworks (Bhatti, 2020; Bacha, 2013). Regulatory responses have included guidelines mandating Shariah compliance audits, the appointment of independent Shariah committees, and structured disclosure of SNC events to improve accountability. Nonetheless, Bacha (2013) points out that a key challenge persists: the lack of Shariah-compliant risk management tools that can replace or replicate conventional hedging instruments such as derivatives, which remain controversial in Islamic jurisprudence. The absence of universally accepted risk management instruments limits the ability of IFIs to hedge exposure effectively while remaining Shariah-compliant. Therefore, regulators must strike a balance between innovation and compliance by encouraging research into permissible hedging mechanisms, developing standardized Shariah-compliant financial risk tools, and enforcing risk-based Shariah governance frameworks. Ultimately, managing Shariah non-compliance risk requires an integrated approach that aligns institutional practices with robust regulatory standards, ensuring both operational efficiency and adherence to Islamic ethical principles.

Shariah Non-compliance and Regulatory Responses

The relationship between Shariah non-compliance (SNC) and regulatory responses is central to ensuring the integrity, accountability, and sustainability of Islamic finance. Shariah non-compliance risk refers to the possibility that transactions, contracts, or operations of Islamic financial institutions (IFIs) deviate from the principles of Islamic law, leading to operational, legal, and reputational consequences (Hassan, 2016; Bhatti, 2020). When SNC occurs, it not only challenges the validity of contracts but also results in significant financial losses through the purification of non-compliant income, reclassification of assets, and erosion of stakeholder confidence (Mu'im Nazri & Shari, 2025). Moreover, repeated instances of SNC weaken the credibility of Islamic finance in global markets, raising concerns about whether regulatory bodies have developed adequate oversight mechanisms to prevent such violations. Hence, effective regulatory responses are necessary to mitigate SNC risk and to restore stakeholder trust through structured enforcement, standardization, and transparency.

Existing studies suggest that regulatory frameworks for Shariah governance remain inconsistent and, in many jurisdictions, predominantly self-regulated (Abozaid & Khateeb, 2024). For instance, countries such as Malaysia and Pakistan have established centralized Shariah councils and binding governance frameworks, while others such as Nigeria and Bangladesh still rely heavily on non-binding resolutions and institutional self-regulation (Rahman et al., 2024; Hassan, 2016). Abozaid and Khateeb (2024) argue that such a fragmented regulatory landscape leads to governance gaps, as the absence of harmonized standards allows IFIs to interpret compliance requirements inconsistently. To address this, regulatory reforms must focus on building centralized Shariah supervisory authorities, enforcing mandatory compliance audits, and enhancing disclosure mechanisms for Shariah non-compliance income (SNCI). The introduction of standardized regulatory models by global bodies such as the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and the Islamic Financial Services Board (IFSB) is an important step forward, but the enforcement of these standards at the national level remains uneven. Consequently, the lack of binding regulation continues to expose IFIs to systemic SNC risk, particularly in jurisdictions where Shariah boards operate with limited independence or accountability.

From an institutional and policy perspective, regulatory responses should not only focus on compliance enforcement but also on risk prevention and capacity building within IFIs. Bhatti (2020) highlights the role of Islamic dispute resolution mechanisms (tahkim) as a complementary regulatory measure to manage SNC disputes efficiently and uphold Shariah justice principles. In Malaysia, the regulatory authority mandates periodic Shariah audits and requires banks to report SNC events, which strengthens public confidence and promotes internal governance discipline (Mu'im Nazri & Shari, 2025). Similarly, Rahman et al. (2024) emphasize that Shariah compliance levels differ across bank modalities in Bangladesh, implying that tailored regulatory supervision is necessary rather than a one-size-fits-all approach. Moving forward, regulators must adopt a risk-based Shariah governance framework, combining real-time monitoring tools, transparent disclosure requirements, and stronger inter-agency collaboration to ensure consistent Shariah compliance across borders. Such multi-level regulatory integration combining institutional accountability with supervisory oversight is crucial for reducing SNC risk and safeguarding the ethical foundations of the Islamic financial system.

Shariah Non-compliance and Institutional Practices

Institutional practices form the foundation for ensuring effective management of Shariah non-compliance (SNC) risk in Islamic financial institutions (IFIs). SNC risk refers to the possibility that an Islamic financial transaction, product, or operation may deviate from the principles of Islamic law, thus affecting the legitimacy and credibility of the institution (Hassan, 2016; Mu'im Nazri & Shari, 2025). Non-compliance may arise from weaknesses in product structuring, documentation, or operational implementation that contradict established Shariah rulings. Institutional practices play a crucial preventive role by embedding Shariah compliance within governance, audit, and risk management processes. However, many IFIs struggle with fragmented governance models, limited internal coordination between management and Shariah committees, and the absence of a comprehensive legal framework to support enforcement (Ilias et al., 2024; Hailu & Tekdoğan, 2023). Such weaknesses often result in procedural compliance where Shariah oversight exists formally but lacks depth in practice thereby exposing IFIs to operational and reputational risks. As Bhatti (2020) emphasizes, this underscores the need for IFIs to internalize Shariah compliance as a governance culture rather than a mere regulatory obligation.

Empirical studies show that institutional-level Shariah governance mechanisms are often reactive rather than preventive, with varying levels of maturity across jurisdictions. Minhas (2023) and Ghani, Ariffin, and Rahman (2025) observe that IFIs that maintain independent and well-resourced Shariah committees tend to manage SNC more effectively by identifying risks early and enforcing regular Shariah audits. In contrast, institutions that treat compliance as a secondary function tend to experience repeated SNC incidents, particularly in product-based transactions such as Tawarruq financing (Mu'im Nazri & Shari, 2025). Effective institutional practices therefore hinge on several key components: (i) robust internal Shariah review mechanisms, (ii) continuous staff training on Shariah principles, and (iii) clear segregation of duties between management and Shariah boards to prevent conflicts of interest. Furthermore, Ghani et al. (2025) found that the integration of Shariah risk management with enterprise risk management frameworks remains limited, reducing the institution's ability to detect potential SNC triggers before they escalate. These findings suggest that IFIs must move toward integrated governance models that connect operational controls, audit processes, and strategic decision-making within a Shariah-compliant ethical framework.

At the broader industry level, strengthening institutional practices requires alignment with both regulatory expectations and ethical governance principles. Ilias et al. (2024) highlight that non-bank Islamic financial intermediaries, such as personal financing institutions, face additional compliance challenges due to inadequate internal expertise and the absence of centralized Shariah governance mechanisms. Similarly, Hailu and Tekdoğan (2023) point out that in emerging Islamic finance markets such as Ethiopia, institutional constraints such as lack of Shariah-trained professionals and weak legal enforcement further exacerbate the risk of non-compliance. Mohd-Sanusi et al. (2015) argue that institutional screening and risk management processes must incorporate Shariah parameters alongside conventional financial metrics to ensure compliance from both moral and financial standpoints. To this end, institutions must prioritize capacity-building initiatives, digital compliance tools, and Shariah governance reforms that bridge the gap between regulatory frameworks and internal operations. Ultimately, fostering an institutional culture that upholds Shariah integrity not only mitigates SNC risk but also reinforces the ethical and moral foundations of Islamic finance, ensuring that the industry remains true to its underlying objectives (maqasid al-shariah).

Topic Experts

The analysis of topic experts in governance and Shariah compliance reveals valuable interdisciplinary perspectives that enrich the understanding of governance gaps and institutional responses within Islamic financial institutions (IFIs). Serkan S. Akguc emerges as a leading scholar whose research connects corporate governance, financial performance, and regulatory compliance, particularly within the framework of Shariah-compliant firms. Akguc's studies illustrate how governance structures directly influence firm resilience during systemic crises, such as the COVID-19 pandemic, by comparing the financial performance of Shariah-compliant and non-compliant firms (Akguc, 2023). His findings suggest that robust governance mechanisms characterized by board accountability, risk transparency, and adherence to Shariah standards can mitigate compliance failures and enhance operational continuity during economic shocks. This insight reinforces the argument that effective governance is not merely a compliance exercise but a strategic tool that safeguards both ethical and financial integrity. In the context of this review, Akguc's work underscores the need for IFIs to strengthen governance accountability and Shariah oversight as a means to reduce non-compliance risks, especially under crisis conditions.

Vlad Radu Vasilescu, though an emerging researcher, contributes to the growing literature on regulatory adaptability and organizational resilience under crisis-driven disruptions. His research explores how both Shariah-compliant and non-compliant firms respond to shifts in regulatory expectations during periods of volatility such as the pandemic (Vasilescu, 2023). His perspective highlights that institutional compliance is not static; rather, it evolves according to the firm's ability to interpret and operationalize regulatory directives. Vasilescu's analysis aligns with previous findings that emphasize the importance of dynamic institutional governance frameworks capable of adjusting to external shocks while maintaining adherence to ethical norms (Bhatti, 2020; Abozaid & Khateeb, 2024). This adaptability is particularly critical in Islamic finance, where governance must simultaneously address fiduciary obligations and Shariah compliance. His early work offers an important lens for understanding how regulatory rigidity or institutional inertia can exacerbate Shariah non-compliance risks in times of global uncertainty, thereby calling for policy flexibility and proactive supervision from regulators.

Meanwhile, Abeeha Shoaib extends this discussion by focusing on the micro-level institutional implications of governance practices under crisis conditions. Her research examines the operational consequences of Shariah governance lapses within firms that were tested by the COVID-19 pandemic, providing empirical evidence on how institutional practices either support or hinder compliance (Shoaib, 2023). Shoaib's contribution highlights a recurring challenge within IFIs: while regulatory frameworks may be sound in theory, their effectiveness depends on how well institutions embed compliance into daily operations and decision-making. Her findings point to the necessity of cultivating an organizational culture of compliance, emphasizing that procedural adherence must be complemented by ethical commitment from management and staff. This resonates with earlier studies by Ghani, Ariffin, and Rahman (2025), who argue that effective Shariah risk management depends as much on institutional behavior as on regulatory enforcement. Shoaib's insights thus reinforce the need for capacity building, internal Shariah training, and consistent application of governance standards to transform formal compliance frameworks into living, ethical systems.

Collectively, the contributions of these topic experts advance a more nuanced understanding of Shariah non-compliance by bridging theoretical governance models with real-world institutional behavior. Akguc's macro-level analysis of governance resilience, Vasilescu's focus on regulatory adaptability, and Shoaib's micro-level insights into institutional practices together form an integrated framework for addressing governance gaps in Islamic finance. Their works collectively affirm that ensuring Shariah compliance requires a multi-layered governance approach linking board-level accountability, adaptive regulatory oversight, and operational ethics. Moreover, their shared emphasis on the post-pandemic context reveals that crises act as a litmus test for governance systems, exposing latent weaknesses in compliance mechanisms and highlighting the urgent need for institutional reform. Hence, their perspectives not only validate existing concerns over governance gaps but also offer a forward-looking roadmap for aligning Shariah governance with modern financial resilience frameworks.

Emerging Themes

Consistent Themes

The consistent theme emerging from the literature underscores the centrality of Shariah governance in maintaining trust, accountability, and legitimacy within Islamic financial systems. Since the inception of modern Islamic finance, Shariah governance has been considered the backbone of compliance integrity, ensuring that institutional operations align with the principles of maqasid al-shariah (objectives of Islamic law) (Abozaid & Khateeb, 2024; Grassa, 2015). Studies consistently reaffirm that strong governance frameworks enhance stakeholder confidence, attract investment, and mitigate risks of Shariah non-compliance that could compromise institutional reputation and financial stability (Hassan, 2016; Ghani, Ariffin, & Rahman, 2025).

Recent works advocate for the integration of technology in governance practices, such as AI-based compliance tools and digital audit systems, to improve transparency and reduce manual oversight inefficiencies (Minhas, 2023; Noor et al., 2024). These developments support the hypothesis that enhanced Shariah governance frameworks can significantly improve both compliance quality and financial performance, bridging traditional ethics with modern governance needs. Ultimately, the persistent focus on governance mechanisms signals the maturity of this research area and its continued relevance to both regulators and practitioners in strengthening institutional Shariah compliance.

The consistent emergence of digital transformation as a key theme reflects the sector's strategic pivot toward technological innovation in compliance monitoring and risk management. Digital tools particularly blockchain and artificial intelligence (AI) are increasingly applied to automate compliance verification, enhance transparency, and reduce human bias in Shariah audit and approval processes (Bacha, 2013; Mohd Noor, 2024). Blockchain technology, for instance, enables immutable and traceable transaction records that align with Shariah principles of transparency (amanah) and accountability (mas'uliyyah) (Noor et al., 2024). Similarly, AI-driven compliance systems allow real-time identification of potential Shariah violations, reducing the time and cost associated with manual audits (Minhas, 2023).

These developments indicate a paradigm shift where technology and Shariah governance intersect, promoting efficiency without compromising ethical rigor. The hypothesis that digital tools enhance the transparency and efficiency of Shariah compliance finds growing empirical support, particularly in jurisdictions like Malaysia and the UAE, which are investing heavily in RegTech and FinTech solutions for Islamic finance. Despite these advances, the challenge remains to ensure that digital innovations respect the interpretive boundaries of Shariah jurisprudence, requiring active collaboration between Shariah scholars, regulators, and technology developers.

Rising Themes

A growing body of literature reflects a rising interest in the nexus between Shariah compliance and financial performance, demonstrating that ethical adherence can coexist with, and even enhance, profitability and market confidence. Empirical research indicates that firms adhering to Shariah principles tend to show greater financial resilience and stakeholder trust, particularly during market disruptions such as the COVID-19 pandemic (Akguc, 2023; Vasilescu, 2023). The underlying logic rests on the idea that Shariah compliance through mechanisms that prohibit excessive risk-taking, speculation, and unethical investments which promotes sound governance and long-term stability (Bhatti, 2020; Rahman et al., 2024). Furthermore, corporate governance variables such as board diversity, independence, and Shariah expertise are increasingly recognized as mediating factors that influence both compliance quality and firm performance (Shoaib, 2023).

These studies collectively support the hypothesis that Shariah compliance positively influences investor confidence and financial stability in Islamic capital markets. However, despite the positive correlation, regional differences in implementation persist; for instance, institutions in Malaysia and the GCC display more integrated governance mechanisms compared to emerging markets like Bangladesh and Ethiopia (Hailu & Tekdoğan, 2023; Mu'im Nazri & Shari, 2025). This rising theme, therefore, signals a maturing recognition that adherence to Shariah is not a constraint on performance but a value-adding governance strategy that enhances sustainability and market reputation.

Novel Theme

A novel and rapidly emerging theme identified in recent literature involves Zakat compliance and governance, signaling an expansion of Shariah governance beyond institutional finance into the realm of social finance and welfare. The growing attention to Zakat governance highlights its potential as a tool for socio-economic redistribution and financial inclusion, provided that compliance frameworks are robust and transparent (Anwar & Mas'ud, 2023; Muneeza & Hassan, 2024). However, challenges such as inconsistent legal frameworks, inadequate reporting standards, and limited technological integration continue to hinder the effectiveness of Zakat institutions (Ilias et al., 2024). Scholars increasingly argue that strengthening legal and regulatory frameworks alongside the digitalization of Zakat collection and disbursement can enhance accountability, optimize resource allocation, and improve donor trust (Bhatti, 2020; Hailu & Tekdoğan, 2023).

This novel focus suggests a shift from micro-level institutional governance to macro-level societal impact, aligning with the maqasid al-shariah objective of achieving economic justice. It also supports the hypothesis that effective governance in Zakat management institutions can significantly enhance social welfare outcomes, marking an important frontier in the evolving discourse of Islamic financial governance.

CONCLUSION

This review has critically examined the intersection between governance gaps and Shariah non-compliance (SNC) in Islamic financial institutions (IFIs), analyzing institutional practices, regulatory responses, and emerging research themes derived from recent Scopus AI analyses (as of 4 October 2025). The findings reveal that while significant progress has been made in strengthening Shariah governance frameworks across jurisdictions, persistent governance gaps remain, particularly in the areas of regulatory standardization, internal audit integration, and risk management alignment. The review underscores that Shariah non-compliance risk continues to pose both financial and reputational threats to IFIs, often triggered by weak governance structures, inconsistent Shariah board independence, and the lack of harmonized supervisory mechanisms (Abozaid & Khateeb, 2024; Ghani, Ariffin, & Rahman, 2025). Institutional practices remain highly heterogeneous, with some institutions adopting robust Shariah governance models while others struggle to operationalize compliance beyond procedural obligations. Furthermore, emerging research trends particularly in digital transformation, financial performance, and Zakat governance highlight the sector's transition toward more transparent, technology-enabled, and socially inclusive governance paradigms.

From a theoretical perspective, the study contributes to the growing body of literature on Islamic corporate governance by demonstrating that effective Shariah governance extends beyond traditional fiduciary roles to embody ethical accountability and moral stewardship grounded in maqasid al-shariah (objectives of Islamic law). The consistent themes such as the link between governance structures and firm resilience support theoretical models that integrate Shariah compliance into institutional legitimacy and stakeholder trust frameworks (Hassan, 2016; Akguc, 2023). The rising theme of Shariah compliance and financial performance further validates theoretical propositions from agency theory and stakeholder theory, suggesting that ethical governance can coexist with profit motives, thereby reinforcing the notion of "ethical profitability." Meanwhile, the incorporation of digital governance tools aligns with institutional theory, emphasizing adaptive change and innovation in response to evolving regulatory and technological environments. Collectively, these theoretical insights advance a multidimensional understanding of governance in Islamic finance linking compliance, ethics, and institutional performance within a unified framework.

The practical implications of this study are equally significant. Regulators and policymakers must prioritize the harmonization of Shariah governance standards, strengthen centralized Shariah authorities, and ensure mandatory disclosure of non-compliance events to foster transparency and accountability. Financial institutions should integrate Shariah risk management within enterprise-wide risk systems, conduct regular Shariah audits, and invest in digital compliance solutions such as blockchain and AI-driven audit platforms to enhance traceability and reduce human error (Noor et al., 2024; Mohd Noor, 2024). Institutional practices should move from reactive compliance to proactive governance cultures, emphasizing continuous professional development for Shariah officers, cross-departmental communication, and ethical leadership. Moreover, as the novel theme on Zakat compliance and governance suggests, IFIs and religious councils should collaborate to establish standardized reporting mechanisms that align Zakat collection and disbursement with national socio-economic priorities, thus expanding the scope of Islamic governance from institutional efficiency to societal welfare.

Despite its contributions, this study is not without limitations. The review relies heavily on secondary data synthesized through Scopus AI's database (as of October 2025), which may not capture the full breadth of grey literature, local regulatory documents, or unpublished empirical studies. Additionally, the heterogeneity of institutional and regulatory environments across different jurisdictions limits the generalizability of findings. The emphasis on literature in English also restricts the inclusion of Arabic and Malay scholarly works, which often provide deeper jurisprudential insights into Shariah governance. Methodologically, while Scopus AI enables integrative synthesis, it does not fully substitute for in-depth meta-analysis or field-based qualitative inquiry.

For future research, several directions emerge. First, empirical studies should explore the causal relationship between Shariah governance quality and firm performance, employing econometric models or mixed-method approaches to validate hypotheses identified in this review. Second, comparative cross-country analyses could examine how governance reforms in countries such as Malaysia, Indonesia, and Pakistan can inform emerging Islamic finance markets in Africa and Central Asia. Third, there is a pressing need to investigate the impact of digital transformation including blockchain, AI, and big data analytics on Shariah audit and regulatory compliance. Future scholars may also examine the governance of Islamic social finance institutions, such as Zakat and Waqf bodies, to assess how governance frameworks influence their effectiveness in addressing socio-economic inequality. Finally, future research should adopt an interdisciplinary lens that combines Islamic jurisprudence, financial regulation, and data science to advance a more holistic and adaptive Shariah governance model capable of responding to global financial and ethical challenges.

REFERENCES

1. Ab Ghani, N. L. A., Ariffin, N. M., & Rahman, A. R. A. (2025). Evaluating the effectiveness of Shariah risk management in Malaysian Islamic financial institutions. Asian Economic and Financial Review, 15(7), 1023–1034. https://doi.org/10.55493/5002.v15i7.5469
2. Ab Ghani, N. L., Ariffin, N. M., & Rahman, A. R. A. (2025). Factors leading to and consequences of an effective internal Shariah audit function in Malaysian Islamic financial institutions. In The Routledge Handbook of Islamic Economics and Finance (pp. 220–239). Routledge. https://doi.org/10.4324/9781003168508-17
3. Abozaid, A., & Khateeb, S. H. (2024). A proposed model for efficient Shariah governance of Islamic

financial institutions. In Recent Developments in Financial Management and Economics (pp. 276–293). IGI Global. https://doi.org/10.4018/979-8-3693-2683-1.ch015

4. Alam, M. K., Ab Rahman, S., Mustafa, H., Shah, S. M., & Hossain, M. S. (2019). Shariah governance framework of Islamic banks in Bangladesh: Practices, problems and recommendations. Asian Economic and Financial Review, 9(1), 118–132. https://doi.org/10.18488/journal.aefr.2019.91.118.132
5. Alhammadi, S., Archer, S., & Aloumi, D. (2024). Sukuk structure and risk exposures: Evidence from an originator perspective. Journal of Islamic Accounting and Business Research. https://doi.org/10.1108/JIABR-10-2023-0343
6. Bhatti, M. (2020). Managing Shariah non-compliance risk via Islamic dispute resolution. Journal of Risk and Financial Management, 13(1), Article 2. https://doi.org/10.3390/jrfm13010002
7. Bugshan, A., Alnori, F., & Bakry, W. (2021). Shariah compliance and corporate cash holdings. Research in International Business and Finance, 56, Article 101383. https://doi.org/10.1016/j.ribaf.2021.101383
8. Farooq, O., & AbdelBari, A. (2015). Earnings management behaviour of Shariah-compliant firms and non-Shariah-compliant firms: Evidence from the MENA region. Journal of Islamic Accounting and Business Research, 6(2), 173–188. https://doi.org/10.1108/JIABR-07-2013-0021
9. Ghani, N. L. A., Ariffin, N. M., & Rahman, A. R. A. (2025). Evaluating the effectiveness of Shariah risk management in Malaysian Islamic financial institutions. Asian Economic and Financial Review, 15(7), 1023–1034. https://doi.org/10.55493/5002.v15i7.5469
10. Grassa, R. (2015). Shariah supervisory systems in Islamic finance institutions across the OIC member countries: An investigation of regulatory frameworks. Journal of Financial Regulation and Compliance, 23(2), 135–160. https://doi.org/10.1108/JFRC-02-2014-0011
11. Hailu, S. M., & Tekdoğan, Ö. F. (2023). Ensuring the compliance of Islamic finance applications with Shariah principles in Ethiopia: The way forward. Hitit Theology Journal, 22(1), 139–168. https://doi.org/10.14395/hid.1247875
12. Haseeb, M., Mahdzan, N. S., & Wan Ahmad, W. M. (2023). Are Shariah-compliant firms less prone to stock price crash risk? Evidence from Malaysia. International Journal of Islamic and Middle Eastern Finance and Management, 16(2), 291–309. https://doi.org/10.1108/IMEFM-06-2021-0223
13. Hassan, R. (2016). Shariah non-compliance risk and its effects on Islamic financial institutions. Al-Shajarah, 21(Special Issue), 21–39. https://www.scopus.com/inward/record.uri?eid=2-s2.0-85028658341
14. Ilias, I. I., Nasrun, M., & Muhamed, N. A. (2024). Unveiling the terrain of non-bank Islamic personal financing: Current practices, challenges, and future prospects. Journal of Islamic Accounting and Business Research. https://doi.org/10.1108/JIABR-07-2023-0221
15. Jan, S. M. W., & Othman, A. A. (2021). Regulatory arrangement for Shariah governance practice of Islamic banking institutions in Pakistan: Issues and challenges [Pakistan'daki İslâmî bankacılık kurumlarındaki uygulamaların Şer'î uygunluğuna ilişkin yasal düzenlemeler: Sorunlar ve zorluklar]. Hitit Theology Journal, 20(1), 167–194. https://doi.org/10.14395/hid.947530
16. Lahsasna, A. (2014). Shari'ah non-compliance risk management and legal documentations in Islamic finance (pp. 1–338). John Wiley & Sons. https://doi.org/10.1002/9781118809181
17. Lee Chin, Y., & Kelvin Lee, Y. M. (2025). Islamic financial literacy education on innovative retirement financial product. International Journal of Islamic Thought, 27, 117–124. https://doi.org/10.24035/ijit.27.2025.322
18. Minhas, I. H. (2023). Shariah governance for Islamic financial institutions. In Shariah governance in Islamic banking institutions (pp. 152–175). Routledge. https://doi.org/10.4324/9781003324836-9
19. Mu'im Nazri, M. N., & Shari, W. (2025). Shariah non-compliance income (SNCI) in Tawarruq home financing in Malaysia: An exploratory study. In Contributions to Economics (Part F858, pp. 73–97). Springer. https://doi.org/10.1007/978-981-96-8650-6_4
20. Muhammad, A. U., & Yusoff, M. (2023). Islamic banks in Africa: The risk of Sharia non-compliance and financial performance. International Journal of Business and Society, 24(3), 1213–1230. https://doi.org/10.33736/ijbs.6419.2023
21. Mukhibad, H., Jayanto, P. Y., Jati, K. W., & Khafid, M. (2022). Attributes of Shariah supervisory board and Shariah compliance. Corporate Governance and Organizational Behavior Review, 6(3), 173–180. https://doi.org/10.22495/cgobrv6i3p16
22. Mustapha, Z., Kunhibava, S. B., & Muneeza, A. (2021). Legal and Sharīʿah non-compliance risks in

ISSN No. 2454-6186 | DOI: 10.47772/IJRISS | Volume IX Issue X October 2025

Nigerian Islamic finance industry: A review of the literature. International Journal of Law and Management, 63(2), 275–299. https://doi.org/10.1108/IJLMA-03-2020-0075

23. Noor, N. S. M., Muhammad, H., Arifin, J., Ghazali, P. L., & Razak, R. A. (2024). Enhancing Shariah governance: The key risk indicators for managing Shariah non-compliance risk in Islamic financial institutions. International Journal of Business and Society, 25(3), 1165–1181. https://doi.org/10.33736/ijbs.8574.2024
24. Puad, N. A. M., Abdullah, N. I., & Shafii, Z. (2023). The effect of institutional theory toward Shariah audit practice in Malaysian takaful industry. In Contributions to management science (Part F1204, pp. 409–425). Springer. https://doi.org/10.1007/978-3-031-27860-0_37
25. Rosly, S. A., Naim, M. A., & Lahsasna, A. (2017). Measuring Shariah non-compliance risk (SNCR): Claw-out effect of al-bai-bithaman ajil in default. Journal of Islamic Accounting and Business Research, 8(3), 272–283. https://doi.org/10.1108/JIABR-02-2016-0018
26. Wibowo, S. E., Zaghloul, T. R. I., Fathiyaturrahmah, & Nurhidayat. (2024). Mumārasāt 'adam al-imtithāl al-shar'ī fī al-bunūk al-islāmiyya: Dirāsa li arā' muwaẓẓifī al-bunūk al-islāmiyya al-sābiqīn fī Indūnīsiyā [Practices of Shariah non-compliance in Islamic banks: A study of former Islamic bank employees in Indonesia]. Journal of Indonesian Islam, 18(1), 251–286. https://doi.org/10.15642/JIIS.2024.18.1.251-286