



Prospects of Sharia Governance in Islamic Finance Industry: Jurisdictions, Standards, and Implications

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Keywords:

Sharī'ah Governance,
Jurisdictions,
Corporate, Ex-Ante,
Ex-Post

Kata Kunci:

Tata Kelola Syariah,
Yurisdiksi, Perusahaan,
Ex-Ante, Ex-Post.

ABSTRACT

The paper aims to explore the establishment, organizational setup, and relevance of the international regulatory/standard setting institutions as Sharī'ah governance platforms primarily AAOIFI (Accounting and Auditing Organization for Islamic Finance Institutions) and IFSB (Islamic Financial Services Board). The role of IIFA (International Islamic Fiqh Academy Jeddah) IFC (Islamic Fiqh Council of Muslim World League MWL) and ISRA (International Sharī'ah Research Academy for Islamic Finance) and supportive Shari 'ah compliance platforms for Islamic Finance Industry (IFI) in the corporate and academic dimensions. The study is qualitative analysis of related Guiding Principles, which enshrine the Sharī'ah governance framework (SGF) in IFI. The discussion highlights that the (SGF) is the particular aspect in the Islamic Finance Industry (IFI), which embodies the legitimacy of instruments, and generates the trust of stakeholders and shareholders in Islamic finance. The paper shows that analysis will support the understanding of Sharī'ah governance and jurisdiction of the Islamic finance industry in the contemporary Banking and finance sector. The outcome of the predicted hypothesis will enable to suggest and modify the ongoing banking practices in Islamic corporate with strict adherence to the sharia standards.

ABSTRAK

Prospek Tata Kelola Syariah dalam Industri Perbankan Islam: Yurisdiksi, Standar-standar, dan Implikasinya. Penelitian ini bertujuan untuk mengeksplorasi pembentukan, pengaturan organisasi, dan relevansi lembaga pengaturan/pengaturan standar internasional sebagai platform tata kelola Syari'ah terutama AAOIFI (Organisasi Akuntansi dan Audit untuk Lembaga Keuangan Islam) dan IFSB (Dewan Jasa Keuangan Islam). Peran IIFA (akademi Islam internasional Fiqh jeddah) IFC (Dewan Fiqh Islam liga dunia muslim) dan ISRA (akademi penelitian. Internasional Syariah untuk keuangan islam) dan mendukung platform kepatuhan Syari'ah untuk Industri Keuangan Islam (IFI) dalam dimensi korporat dan akademik. Studi ini adalah analisis kualitatif dari Prinsip-Prinsip Panduan terkait, yang mengabadikan kerangka tata kelola Syari'ah (SGF) di IFI. Diskusi menyoroti bahwa (SGF) adalah aspek khusus dalam Industri Keuangan Islam (IFI), yang mewujudkan legitimasi instrumen, dan menghasilkan kepercayaan dari pemangku kepentingan dan pemegang saham di keuangan Islam. Penelitian ini menunjukkan bahwa analisis akan mendukung pemahaman tata kelola dan yurisdiksi Syari'ah industri keuangan Islam di sektor Perbankan dan keuangan kontemporer. Hasil dari hipotesis yang diprediksi akan memungkinkan untuk menyarankan dan memodifikasi praktik perbankan yang sedang berlangsung di perusahaan Islam dengan kepatuhan yang ketat terhadap standar syariah.

Article Information

Hou To Cite

e-ISSN / p-ISSN

: Received: 17 March 2022; Revised: 23 July 2022; Accepted: 31 July 2022

: Wani, A. S., & Dar, S. H. (2022). Prospects of Sharia Governance in Islamic Finance Industry: Jurisdictions, Standards, and Implications. *Talaa : Journal of Islamic Finance*, 2(1), 21–32. <https://doi.org/10.54045/talaa.v2i1.523>

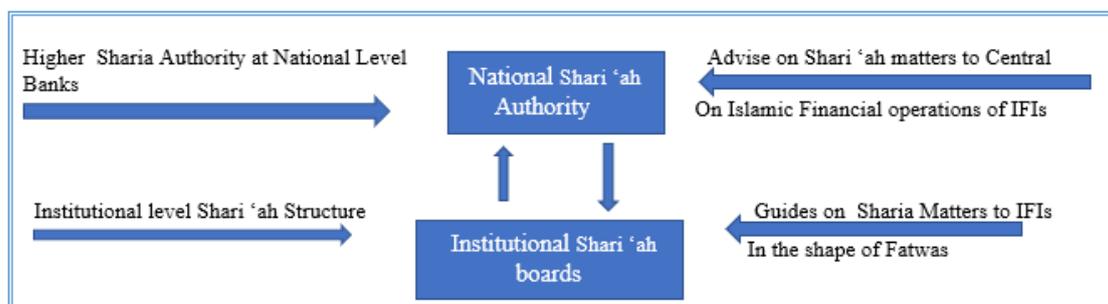
: 2807-3002 / 2807-3312

INTRODUCTION

The Islamic finance institutions (IFIs) particularly Islamic banks usually have the internal sharia control department or Sharia Supervisory Boards (SSBs), having sharia scholars (jurists) experts in islamic commercial law or *fiqh al- mu'āmalāt*. The members of this board (jurists) make all the sharia advisory requirements regarding product innovation, development, and process assessments (Habib, 2014), (Ayub, 2007). The sharia boards act as the guiding, revising, and overseeing an agency of the IFIs for maintaining the sharia compliance principles (Grassa, 2013); (Ahmed et al., 2013) (Malkawi; 2010). Those principles are described as trustworthiness (*Amanah*) accountability (*Muhāsabah*) responsibility, (*Mas'ūliyyah*) independence, (*Hurrīyah*) competency (*Ahliyyah, maqdarah*), and confidentiality (*sirriyah*) (Thompson Reuters 2016). It is to be noted that the sharia guidance framework is a combination of processes like sharia pronouncement (*Fatwa*) sharia Audit (*Al-Tadqīq al-Sharī'ah*) review, (*mutabah*) supervision (*raqabah*) risk management (*'iidarat al makhatir*), and research for overall Shari'ah compliance norms (Mansor et al., 2019)

The Audit and Inspection of SSBs for an IFIs primarily involves Ex-ante and Ex-post sharia audit through fatwas for ascertaining the permissibility, relevance of financial instruments/products (Graiss & Pellegrini. 2006. Emily, 2022). The sharia compliance screening, also guides the income distribution system and investment avenues of IFI, together with Avoidance of non sharia compliant earnings and zakat regulating system (Wardhany & Arshad, 2012) The report, thus made by the SSBs which is also the process of Annual Assessment report of Islamic finance institution, should maintain that all the financial transactions are under the sharia compliance principles and the report must include sharia non compliance issues if any on part of financial instruments issued by the IFI (Ayub. 2007). In an effort to enhance the efficacy of sharia acquiescence system, the IFIs in addition to formal SSBs have established an internal sharia review bodies as well. There main thrust is to review the sharia guidelines approved by the SSBs of IFIs for instrument/product development (Graiss & Pellegrini, 2022). The fatwas issued by in-built sharia compliance system comprising of SSBs and sharia review units of an Islamic finance institution may sometimes create variations with the other SSBs on different issues related to product development (Sikander,2014; shafii et.al. 2015). To mitigate the problem of sharia resolution conflict/fatwa conflict/ the external sharia compliance, framework in the shape of centralized/national SSBs is also catering attention from various IFIs (in Indonesia, Kuwait, Malaysia, Sudan, Pakistan and UAE). The centralized SSBs method is more independent, standardized, and are concerned with/ of IFIs for/ the sharia compliance at national level for IFIs in terms of ex-ante and ex-post/ checking (Mansor, 2018) .The sharia compliance system also enables the corporate to forecast future socio-economic implication which may hinder the progress or trouble the mechanism at any financial interval.

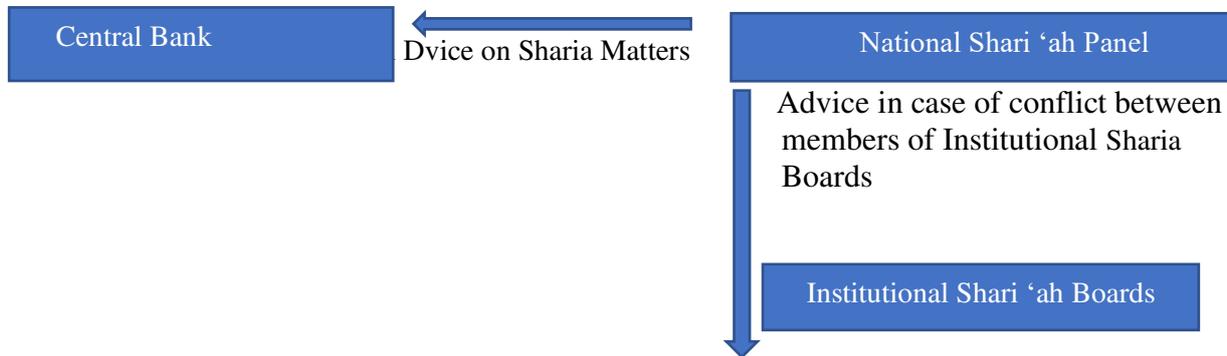
Figure 1: Centralized Sharia Supervisory Approach



Source: Grassa 2013

It is to be noted that decentralized sharia governance framework is adopted by the Gulf Cooperation Council (GCC) countries primarily at institutional level (Ibid). The jurisdictions of GCC like Bahrain, Kuwait, Qatar, UAE and Saudi Arabia etc all have less involvement of national sharia boards on sharia supervisory practices, of IFIs (Grassa. op.cit).

Figure 2: GCC Decentralized Sharia Supervisory Approach



Source: Grassa 2013

In context the current research an in-depth descriptive analysis shall emphasize that (SGF) is the peculiar aspect of only Islamic Finance Industry (IFI), which embodies legitimacy of instruments, products and generates the trust of stakeholders and shareholders on Islamic finance. The analysis will project the primary and secondary structure of SGF for IFI in various jurisdictions around globe. With this the coordinated efforts of AAOIFI and IFSB as main standard setting agencies for sharia compliance dimension and the supplementary role exhibited by several juristic councils/ fiqh academies such as IFA-OIC, IFA-MWL, and ISRA, has streamlined the SGF of IFI. Its to be noted that respective sharia rulings of in-built SAB of Islamic Financial Institutions/Intermediaries and that of the international sharia advisory bodies must develop a proper interaction for product development process for better sharia compliance.

LITERATURE REVIEW

The islamic finance intermediation, based on sharia guidance/governance, which is peculiar aspect of islamic finance system as respectively highlighted by (Habib 2014, Siti and Sulong 2019, Shehzad 2020). According to (Grassa, 2013). Initially islamic financial institutions (like Dubai Islamic bank and IsDB Jeddah) were devoid of any sharia governing body, while the faisal islamic bank of Egypt became the first institution which have sharia board in 1976, and after that islamic banks in Sudan, Jordan, Kuwait and Malaysia also established SSBs (Malkavi 2010).

The sharia compliance framework of islamic financial institutions in the shape of SSBs or sharia advisory councils-SAC provides the sharia screening platform for the products, instruments and procedures of IFIs (Ayub 2007). The sharia monitoring framework in IFIs, generally an independent process with two main focuses i.e., Ex-ante sharia Audit or review (Allowing the permissible contracts) and Ex-post sharia audit assessing that the permissible contracts are in agreement with the issued fatwas. (Laili et al., 2021) The inbuilt SSBs of IFIs is also supplemented by the centralized SSBs in some jurisdictions like Indonesia, Malaysia, Pakistan etc. (Sidek, et.al 2019), this centralized SSBs according to Wafik (2006) acts as dispute resolution body, in case of disagreement between board of directors and SSBs or within the

associates of SSBs. Further the (Siti, Sulong, 2019) describes the jurisdictions as centralized and de-centralized where the former in addition to institutional sharia board also have the national sharia board and in later the sharia compliance approach is institutional with no national or central sharia board.

The sharia compliance guidelines for islamic financial institutions, at the global level have been subsequently provided by AAOIFI and IFSB (Kasim et.al. 2013), this is in addition of issuing several standards related to financial accounting, and technical notes for all sectors of IFI, (hasan, Aliyu, Huda, Rashid, 2019). Akram Lal din (2015) relates the sharia compliance in IFI to OIC fiqh academy, as per its resolution no. 177/03/09 on sharia boards. According to Mahmoud al Gamal (2006) the International juristic councils like *Majma' Al- Buhūth Al-Islamiya*) at the Azhar University Cairo 1961 and *fiqh* council of muslim world league in Mecca 1979 also acted as sharia supporting agencies for the emergence of Islamic finance industry. Consequently, this paper aims to present the standard setting agencies i.e., AAOIFI, IFSB as the primary sharia guidance platforms through their respective Guiding principles and present the institutions like IFC-OIC, MWL and ISRA as the supporting sharia guidance framework. The current study explores the related Institutions and their relevant Guidelines for General sharia Guidance Framework in IFI. With this the models of sharia governance as centralized and decentralized in various jurisdictions were analysed in the light of their particular legal base and highest sharia authority.

METHODOLOGY

The study is supported by the qualitative analysis of related Guiding Principles, which enshrine the sharia governance framework (SGF) in IFI.

RESULT AND DISCUSSION

Primary Institutions/regulatory Authorities involved in framing Sharia Compliance structure for Islamic Finance Industry Globally

AAOIFI (Accounting and Auditing organization for Islamic Finance Institutions)

This standard setting regulatory authority was established in 1990 at Algiers, mandated a corporate body for the preparation of accounting, auditing, ethics and sharia standards for islamic financial institutions (Hassan. et.al. 2007). The founding members of AAOIFI includes IsDB-Jeddah, *Dar-al-Mal al Islami*, *Al-Rajhi* Banking and Investment Corporation, *Dallah Al barakah* Group, Kuwait Finance House and *Bukhari* capital Malaysia (<https://aaoifi.com>).

Table 1: The AAOIFI has the Following Departments in its Organizational Setup

General Assembly	Board of Trustees	Accounting Auditing Standard Board	Sharia Board
This is the supreme body consists of members, regulatory and supervisory authorities, observer	Appointed by the general Assembly every after 3- years. The members of the board are	This is the technically Functional bodies of AAOIFI, appointed by board of trustees for 4-years.	An important technical body appointed by Board of Trustees for 4-years. This includes the sharia scholars of IFIs.



and supporting members.	from Islamic financial institutions accounting and auditing firms and sharia scholars.		
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Source: <https://aaoifi.com>

AAOIFI (*governance standards*):

Apart from auditing, accounting, ethics standards for IFIs, the AAOIFI has started to provide sharia standards/guidelines for the sharia compliance framework in IFIs in 2005 (NO.1-5) (Dr. Ahmad & Maksuda: 2013). The standards emphasizes about, sharia supervisory boards. sharia review, internal sharia review, audit and governance for IFIs etc. the detailed description of the standards No.1-5 are as follows (Kasim et.al. 2013)

Table 2: AAOIFI Sharia Governance Standards For Islamic Finance Institutions No. 1-5

AAOIFI Sharia Governance Standards For Islamic Finance Institutions No. 1-5
1. Sharia Supervisory Board (SSB): This Governance standard sheds light on the Board's Genesis (definition, appointment, composition, and reporting of Sharia Supervisory Boards). The standard assures that IFIs and their dealings adhere to Sharia-compliant norms and regulations.
2. Sharia Review: This standard is intended to guide the SSB in conducting sharia Reviews of IFIs and their operations in accordance with sharia and the appropriate fatwas published by the SSB from time to time during the product development process.
3. Internal Sharia Review: This examination is relevant to IFI management in order to determine whether they are doing their activities in accordance with sharia and the codes established by IFI SSBs. The primary distinction between standards No. 2 and No. 3 is that the former refers to the sharia review of supervisory boards, whereas the latter refers to the sharia review of management and its adherence to the SSBs and its rules and regulations. The internal sharia review is maintained by the internal audit or internal control department.
4. Audit and Governance Committee for Islamic Financial Institutions: This governance standard outlines the responsibilities of an IFI's audit and governance committee. The AGC must provide increased transparency and smooth financial reporting disclosure.
5. Individuality of Sharia Supervisory Boards: This standard provides direction to the SSB on its independence in sharia review proceedings. SSB's independence is directly tied to its adherence to Sharia laws and regulations regarding product creation.

Source: AAOIFI 2005, ISRA- Thomson Reuters Report 2016.

The AAOIFI has developed 93 standards in the disciplines of sharia, Accounting, auditing, ethics, and governance, 54 of which are largely adopted by central banks/financial authorities in various jurisdictions (ISRA & Thomson Reuters: 2016).

IFSB (Islamic Financial Services Board)

To mitigate the risks related to IFIs which had a different organizational setup than conventional financial institutions, the Islamic Financial Services Board IFSB, is established by active participation of IMF, IsDB, Bahrain Monetary Agency, Bank Negara Malaysia in Nov.2002 at Malaysia and started operations in March 2003 (Hassan, 2007). The IFSB emerge as an active platform of issuing standards/guiding principles, Technical Notes and Guidance Notes of global level for the islamic finance industry (mainly for banking/insurance and capital market operations). In its capacity as a standard setting body for IFIs, the IFSB, acts for IFI, as a global phenomenon by closely working with the international market players and standard setting bodies (Hassan. et. al.2019).

Table 3: The Structure of IFSB Consists of Five Departments

General Assembly	Council	Technical committee	Working Group	Secretariat
Characteristic body of all members of IFSB.	Policy making body of IFSB.	Advisory body to Council on Technical issues	The body which prepares the Standards and Guidelines for IFIs.	An independent Administrative body of IFSB.

Source: M.Kabir Hassan 2007

IFSB (governance standards)

Since its inception, the IFSB has produced various standards/guiding principles, Technical Notes, and Guidance Notes for IFIs, the most notable of which is (IFSB- Guidance principle-10) titled guiding principles for sharia governance system 2010. The standard (IFSB-10) specifies the sharia governance framework for islamic financial institutions, as well as the institutional and administrative mechanisms in place to oversee IFIs' sharia compliance (Wardhany &Arshad, 2012). This standard draft states unequivocally that the sharia governance system in IIFS does not adhere to a specific model, but rather the various jurisdictions determine the course of standard (Hassan: 2009; IFSB, 2010). The sharia governance structure of IIFS must conform to both ex-ante and ex-post checks; the former refers to sharia review before to the launch of a financial instrument, while the latter entails internal sharia review (Kasim et.al.2013). The required Sharia resolutions must be issued by the IIFS SSBs, according to IFSB-10. It should be highlighted that IFSB-prudential standards provide a framework for regulators, whereas AAOIFI standards focus solely on IFIs (Ahmed, 2013).

Supplementary Institutions for Sharia governance*International Islamic Fiqh Academy IIFA (OIC-Jeddah)*

In order to highlight the potential of islamic legal methodology and its relevance in the contemporary times, various national and international juristic councils were established in the 20th century which include:

1. Institute of islamic research (*Majma' Al- Buhūth Al- Islamiya*) at al- Azhar University Cairo 1961.

2. The Islamic Jurisprudence Council (*Majma' al-Fiqh al-Islami*) Muslim World League in Makkah 1979.
3. International Islamic Fiqh Academy (*Majma' Al-Fiqh Al-Islami*) OIC-Jeddah 1984.

Such organizations formed and supported Islamic finance through their resolutions and guiding principles on various problems concerning Islamic commercial law (El Gamal, 2006). The IIFA-OIC Jeddah, as the juristic council/organization, was created in 1984 by Resolution No. 8/3-C, which was accepted at the third Islamic Summit Conference in Makkah Al Mukaramah (www.oic-oci.org). The World Academy for Islamic Fiqh (Islamic Jurisprudence) enlists the assistance of Ulama, Scholars, and Intellectuals from various professions (political, economic, social, cultural, scientific). These professionals, by their reasoning abilities, answer and provide solutions to the many challenges confronted by the Muslim Ummah (Muslim Community) worldwide, making the best efforts to reorient the collective *ijtihad* (Ginena & Hamid, 2015). From 1958 to 2000 CE, the academy held 11 sessions and passed 117 resolutions on various topics of life, with over 30 resolutions on Islamic banking (IRTI). The OIC Fiqh Academy stresses the role and position of Sharia boards as Sharia ruling/verdict issuing body about the practices and processes of Islamic financial products of IFIs in one of the significant resolutions (17/13/09) 2009. Furthermore, the SSB is expected to monitor the level of rulings and their implementation by IFIs (Lal din et.al. 2015; Laily Dwi, 2010).

Islamic Fiqh Council (IFC) of Muslim World League MWL

The Islamic Jurisprudence Council (*Majma' al-Fiqh al-Islami*) is a member of Muslim World League established in 1979/1398H by the constituent council, in Makkah for Muslim World League. The IFC, since its inception has made tremendous efforts in-- solving the matters relating to social, political, economics, medical, cultural areas concerning the Muslim Ummah by the application of the *fiqh*, thus highlighting its contemporary relevance (<http://en.themwl.org>). Moreover the IFC from 1977-2006 has made 110 resolutions relating to different issues, whereas 21 out of 110 are directly or indirectly related to Islamic finance issues, thus in the evolution and genesis of Islamic Finance industry IFC-MWL has acted as Sharia supporting framework (Muslim World League).

ISRA (International Sharia Research Academy for Islamic Finance)

The ISRA, is recognized by the Bank Negara Malaysia BNM in 2008 for conducting the applied research in the emerging IFI. The ISRA, in line with IIFA-OIC and IFA-MWL, has made all the valuable efforts to encourage economists, *Sharia* scholars, policy makers in solving the Sharia matters in Islamic finance industry, for achieving the goals of socioeconomic justice. In 2016, ISRA in collaboration with Thomson Reuters jointly published the report “Islamic Commercial Law” which is an in-depth analysis of Sharia governance and related matters in IFI (ISRA, & Thomson,).

Table 4: Sharia Governance in Different Jurisdictions Based on the Degree of Sharia Compliance

Countries with decentralized/semi-Sharia compliant system for Islamic Finance, (GCC)		
Country	Legal Base for Internal Sharia Structure Authority	Highest Sharia Authority or Centralized Sharia Supervisory Boards
	SSBs/Regulatory	



Saudi Arabia	The Apex Financial Regulatory Authority in the Kingdom is Saudi Arabian Monetary Agency (SAMA)	Sharia regulatory authority for banking and financial system is non-existent in Saudi Arabia. The only exception in Al Rajhi Corporation, which has an in built sharia department, though not adhering to any sharia regulatory framework or standards rather has developed its own Guidelines for sharia compliance
Bahrain	Bahrain Monetary Agency- rule book volume 2, islamic banks 2005 suggests that all Islamic Banks must have an independent sharia board complying the AAOIFI sharia governance standards	Not any highest sharia authority, but IIFM plays some role in sharia compliance structure for islamic finance institutions
Oman	Royal Decree No. 69/2012 has formally introduced islamic banking in Oman	Islamic Banking Regulatory Framework, IBRF has been setup by Central Bank of Oman CBO, through Advisory IB 1/2012 as the ultimate sharia Guidance Authority for Emerging Islamic Finance Industry
Kuwait	Art.93 of Law no. 32 of 1968 of Central Bank of Kuwait, provides base for sharia governance in IFIs and to establish independent sharia.	in the ministry of 'Awqaf' and Islamic affairs has the 'Fatwa Board' as the final dispute solving authority in the Islamic Banking and Finance.
UAE	The article 5 of Federal Law no.6 of 1985 is the basis of sharia governance	The Ministry of Justice and Islamic Affairs has "Higher Sharia Authority" to supervise all issues related to IFI.
Qatar	Qatar Central Bank (QCB) has issued guidelines for IFIs in part seven of Banking Supervision instructions. The establishment of Sharia Boards by IFIs is also instructed.	The supreme Sharia council formed by the govt. of Qatar is the final arbiter is the final deciding authority on Sharia matters concerning IBF.
Countries with centralized/comprehensive/Dual Shariacontrol authorities Sharia compliant system for Islamic Finance (SOUTH EASTASIA)		
Malaysia	Islamic Banking Act IBA-1984 with central Bank of Malaysia Act 1958 revised in 1994 and guidelines on governance of Sharia committees 2004.	SAC-"Sharia Advisory Council" by the Amendment of Central Bank Malaysia Act 1958 in 2003 is the authoritative body on Sharia matters pertaining to Islamic finance.
Indonesia	Act No. 7 of 1992 and amended Act 10 of 1998	National Sharia Board. In the Bank of Indonesia
Bangladesh	Amended Banking Companies Act 1991 and circular of Bangladesh Bank (central Bank of Bangladesh) 2009 Nov.09	Sharia guidance in banking industry of Bangladesh is provided by Central Sharia Board for Islamic Banks of Bangladesh (CSBIBB), established in 2002
Pakistan	Islamic Banking Dept. of State Bank of Pakistan SBP circular No. 2 of 2004.	The Sharia Board of SBP ensure acquiescence with minimum Sharia standards. Moreover, post 2014 the SBP, were firmly following the AAOIFI and IFSB guidelines.



Sudan	In 1983- Sudan Adopted purely Islamic Banking system	the ultimate authority regarding matters of Sharia in Islamic Finance and other sectors is “Sharia High Supervisory Board”
Iran	The Law for Usury (Interest) Free Banking 1984	<i>Juridical council of Bank Markazi Iran</i> , though it has no formal legal position, overlook the implementation of 1984 usury free law.
Brunei	Islamic Banking Act, IBA, 1992 Sharia Financial Supervisory Board Order SFSB, 2006	Rigorous two-tier Sharia governance framework, comprising of a Sharia Financial Supervisory Board (SFSB) at the national level, and Sharia Advisory Board (SAB) at the industry level.
The jurisdictions, with no specific Sharia compliant framework/ non-centralized		
United kingdom	1987 Banking Act, primarily guides all financial institutions and activities including Islamic Finance in and 2003 government legislation in UK.	Bank of England and FSA (Financial Services Authority), in collaboration with, regulators, standard setting agencies of IFI is directed to Authorization Islamic financial institutions.
United states	Don't have any specific regulation for islamic finance	The regulation of the conventional and IBF institutions is provided by Federal Reserve, Office of the Comptroller of the Currency (OCC) of the US treasury department, Securities and Exchange Commission (SEC), Federal Deposit Insurance Corporation (FDIC)
Australia	Reserve Bank of Australia, Australian Prudential Regulatory Authority APRA, Australian Securities and Investments Commission ASIC	These institutions do not possess any framework for IBF institutions.

Source: Grais and Pellegrini, 2006, Hassan 2009

CONCLUSIONS

Sharia governing standards have played a vital role in the overall audit, assessment, and productivity of the Islamic Finance Industry (IFI). The financial processes and procedures including ex-post checks, Ex ante, and Ex-post sharia audit have standardized the banking practices and established their character instead of socio-economic implication and prevailing financial circumstances. The IFI has always been identified as a system based on Sharia Guidance. The prohibition of *Riba* together with *gharar*, *maiser*, *qimar*, and all prohibited activities (porn, pork, beverages, etc) in the islamic financial theoretical framework has emphasized the need for a Sharia guidance framework in the IFI. The formal implementation of SGF in islamic bank was first enunciated by Faisal Islamic Bank Egypt in 1976 in the shape of the Sharia Advisory Board and later SGF was adopted by other Islamic Financial institutions. The paper projects International standard setting Agencies like AAOIFI, and IFSB as the major platforms for providing Sharia standards in addition to Accounting, Auditing, and prudential Frameworks for the Islamic Finance Industry, In addition to AAOIFI and IFSB as major institutions of Sharia guidance for IFI, the discussion relates IFC-OIC and IFA-MWL as the supporting agencies for streamlining of Sharia guidance framework in the IFI. The Islamic Finance Jurisdictions around the globe are differentiated according to the degree of Sharia compliance into centralized (South Asian Block) decentralized (GCC Block) and those without any SGF as discussed in the paper. This difference in the SGF for different jurisdictions

particularly in the GCC region has diluted the Sharia Rulings. Moreover, the National Sharia Boards (NSB) in many Jurisdictions were just made as Advisory Bodies, which make IFIs Avoid the rulings of NSB. To maintain the sanctity of Sharia Guidance in IFI, the IFIs should develop a proper symbiosis between product development and Sharīa Compliance, through the adoption of relevant Standards set by AAOIFI and IFSB.

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Talaa : Journal of Islamic Finance

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