

**SHARIAH GOVERNANCE DISCLOSURE
BY ISLAMIC BANKS IN MALAYSIA**

By

FATIHAH BINTI ABD RAHAMAN

**Research Paper Submitted to
Othman Yeop Abdullah Graduate School of Business,
Universiti Utara Malaysia,
In Partial Fulfillment of the Requirement for the Master in Islamic Finance and Banking**

PERMISSION TO USE

In presenting this research paper in partial fulfillment of the requirements for a Post Graduate degree from the Universiti Utara Malaysia (UUM), I agree that the Library of this university may make it freely available for inspection. I further agree that permission for copying this dissertation in any manner, in whole or in part, for scholarly purposes may be granted by my supervisors or in their absence, by the Dean of Othman Yeop Abdullah Graduate School of Business where I did my dissertation. It is understood that any copying or publication or use of this dissertation parts of it for financial gain shall not be allowed without my written permission. It is also understood that due recognition shall be given to me and to the UUM in any scholarly use which may be made of any material in my dissertation.

Request for permission to copy or to make other use of materials in this dissertation in whole or in part should be addressed to:

Dean of Othman Yeop Abdullah Graduate School of Business
Universiti Utara Malaysia
06010 UUM Sintok
Kedah Darul Aman

ABSTRACT

Shariah governance is the utmost important division of Islamic banks to differentiate with its conventional counterpart. Although Islamic banks had been in the Malaysian banking industry for more than three decades, it is still at the stage towards comprehensive and proper framework. Besides, Islamic banks have the responsibility to ensure Shariah compliance in its overall operation. Non-compliance element will damage the confidence of the stakeholders and the perception on the purity of Islamic banking system. Thus, this study intends to scrutinize the scope of latest regulations on Shariah governance in Islamic banks, then comparing it with the international standard and to analyze its practice in compliance with the stipulated guidelines. These purposes are achieved by using qualitative method of research by applying doctrinal and legal research where the latest annual report and few regulations are referred. Besides, the descriptive and comparative study was also adopted for deep understanding. All data was taken from the Islamic banks listed under BNM and analysed it using content analysis. The practice of Shariah governance was examined by using Shariah governance disclosure ratio on the items in the SC report based on referred regulations. This study found that Malaysian regulations on Shariah governance of Islamic banking are more comprehensive rather than the international standard. However, only few Islamic banks comply with the guidelines, whilst the transition period for the compliance is almost end. Thus, it is recommended for the authorities to ensure Shariah governance disclosure been fully complied by the related Islamic banks. As the result, a proper and comprehensive Shariah governance in Islamic banks in Malaysia could be achieved.

Keywords: Malaysia, Islamic banking, Shariah governance

ABSTRAK

Tadbir urus Shariah adalah komponen yang paling utama dalam sesebuah bank Islam untuk membezakannya dengan bank konvensional. Walaupun bank Islam telah beroperasi dalam industri perbankan di Malaysia lebih dari tiga dekad, ianya masih menuju ke arah kerangka yang komprehensif. Tambahan pula, bank Islam mempunyai tanggungjawab untuk memastikan pematuhan Shariah dalam setiap operasi yang terlibat. Elemen ketidak patuhan Shariah akan mengurangkan keyakinan pihak-pihak berkepentingan dan juga persepsi terhadap kesucian sistem perbankan Islam. Oleh yang demikian, kajian ini berhasrat untuk meneliti skop undang-undang berkaitan dengan pematuhan Shariah dalam bank Islam, kemudian membandingkannya dengan standard antarabangsa dan meneliti praktis bank Islam dalam pematuhan kepada undang-undang. Ianya akan dicapai dengan menggunakan penyelidikan kualitatif dengan menggunakan penyelidikan doktrinal dan undang-undang, berdasarkan laporan tahunan terbaru dan beberapa undang-undang berkaitan. Selain itu, penyelidikan deskriptif dan perbandingan juga digunakan untuk pemahaman yang lebih mendalam. Kesemua data diambil daripada bank-bank Islam yang tersenarai di bawah BNM dan analisa menggunakan analisis kandungan. Praktis pematuhan Shariah dinilai menggunakan nisbah pendedahan tadbir-urus Shariah berdasarkan perkara-perkara di dalam laporan Jawatankuasa Shariah. Hasil kajian telah menunjukkan bahawa undang-undang Malaysia lebih komprehensif dan terperinci berbanding standard antarabangsa. Walau bagaimanapun, hanya beberapa bank Islam yang mematuhi garis panduan yang telah ditetapkan walaupun tempoh peralihan untuk pematuhan semakin tamat. Oleh itu, adalah disyorkan kepada pihak berwajib untuk memastikan pendedahan kepada pematuhan Shariah oleh bank Islam dipatuhi sepenuhnya. Hasilnya, pematuhan Shariah yang komprehensif dalam bank Islam dapat dicapai.

Katakunci: Malaysia, Bank Islam, Tadbir-urus Shariah

ACKNOWLEDGEMENT

In the name of Allah S.W.T., the Most Compassionate and the Most Merciful. All praise to Him, Lord of the Universe and peace with blessings to His Prophet and Messenger, Muhammad S.A.W.

Firstly, i would like to express my deepest thankfulness to everyone who guide and support me directly or indirectly. The highest gratitude to my supervisors, Dr. Ahmad Khilmy bin Abdul Rahim for guiding on the management of the study, and Mr. Mohammad Azam bin Hussain for instructing me on the flow and details of the study based on his specialty in legal area. I am indebted for their valuable efforts, guidance and constructive comments that the thesis able to be completed on time. Further, I extend my gratitude to Prof Madya Dr Abu Bakar bin Hamed, the Head Facilitator of Research and Dr Nor Azlina binti Abdul Wahab, the Program Coordinator for MIFB, also the seniors for their kind assistance upon completing this study.

My utmost and genuine appreciation to my beloved parents, my heartbeat; Abdul Rahman bin Haji Abdullah and Aishah bin Haji Ahmad, for their countless prayers, unconditional love and constant encouragement, also my dearest siblings Wahida, Saniah, Karmina, Zaid, Naim and siblings in-laws for their support and motivation that gives me strength upon completing this study.

Last but not least, my gratefulness towards my supportive friends throughout the study for their kindness and assistance also for their time listening and supporting me either directly or indirectly. May Allah S.W.T. bless and repay your kindness.

Amin.

TABLE OF CONTENTS

PERMISSION TO USE	i
ABSTRACT	ii
ABSTRAK	iii
ACKNOWLEDGEMENT	iv
TABLE OF CONTENT	v
LIST OF TABLES	viii
LIST OF FIGURES	ix
LIST OF ABBREVIATION	x
CHAPTER ONE: INTRODUCTION	1
1.1 Background of Study	1
1.2 Problem Statement	3
1.3 Research Questions	7
1.4 Research Objectives	7
1.5 Significance of Study	8
1.6 Scope of the Study	9
1.7 Structure of the Study	10
1.8 Conclusion	12
CHAPTER TWO: LITERATURE REVIEW	13
2.1 Introduction	13
2.2 The Concept of Corporate Governance	13
2.2.1 Definition of Corporate Governance	14
2.2.2 Elements of Corporate Governance	16
2.3 The Concept of Islamic Corporate Governance	17
2.3.1 Definition of Islamic Corporate Governance	17
2.3.2 Elements of Islamic Corporate Governance	19

2.4 Good Governance in Islamic Perspective	21
2.4.1 Definition of Good Governance in Islamic Perspective	21
2.4.2 Elements of Good Governance in Islamic Perspective	24
2.5 The Concept of Shariah Governance	25
2.5.1 The Concept of Shariah Compliance	29
2.5.2 The Concept of Full Disclosure in Islamic Perspective	30
2.6 Shariah Governance in Islamic Banking Institution	34
2.6.1 Shariah Governance in Islamic Banking Institution in Malaysia	35
2.6.1.1 IFSA 2013	38
2.6.1.2 SGF 2011	40
2.6.1.3 GP1-i 2013	43
2.6.1.4 GP8-i 2012	44
2.6.2 Shariah Governance in Islamic Banking Institution Internationally	45
2.6.2.1 AAOIFI 2010	46
2.6.2.2 IFSB-10 2009	47
2.7 The Shariah Governance Disclosure Ratio	49
2.8 Conclusion	52
CHAPTER THREE: RESEARCH METHODOLOGY	53
3.1 Introduction	53
3.2 Research Design	53
3.3 Source of Data	55
3.4 Population Design	56
3.5 Data Collection Method	58
3.5.1 Developing the Shariah Governance Disclosure Ratio	59
3.6 Data Analysis and Interpretation	62
3.7 Conclusion	64

CHAPTER FOUR: ANALYSIS AND FINDING	65
4.1 Introduction	65
4.2 Different Approaches of Legislations on Shariah Governance in Islamic Banks	66
4.2.1 Malaysian Legislations on Shariah Governance in Islamic Banks	67
4.2.2 International Standard on Shariah Governance in Islamic Banks	77
4.3 Comparative Analysis among Regulations on Shariah Committee's / Supervisory Board's Report	82
4.4 Shariah Governance Disclosure Ratio	83
4.5 Conclusion	87
CHAPTER FIVE: CONCLUSION AND RECOMMENDATIONS	88
5.0 Introduction	88
5.1 Research Summary and Finding	88
5.2 Penalty for Non-Compliance of Shariah Governance Disclosure	91
5.3 Recommendations	92
5.4 Limitation of the Study	94
5.5 Conclusion	95
References	97

LIST OF TABLES

2.1	Corporate Governance from Islamic Perspective	20
3.1	The Lists of Islamic Banks under BNM	58
3.2	Items for Shariah Governance Disclosure Ratio Scoring	62
4.1	Example for SC's Report	74
4.2	Example Report for SSB	81
4.3	Different Approach of SC/SSB Report	82
4.4	Shariah Governance Disclosure Ratio of Islamic Banks	85

LIST OF FIGURES

2.2	Islamic Corporate Governance	18
2.2	Shariah Governance Framework Model for IFIs	42
3.1	The Stages of Developing Shariah Governance Disclosure Ratio	61
4.1	Summary of Average Shariah Governance Disclosure Ratio on Each Items	86
4.2	Summary of Average Shariah Governance Disclosure Ratio on Each Islamic Banks	87

LIST OF ABBREVIATION

AAOIFI	Accounting and Auditing of Islamic Financial Institutions
BNM	Bank Negara Malaysia
CBA 2009	Central Bank Act of Malaysia 2009
CPIFR	Core Principles for Islamic Finance Regulation
DFIA 2002	Development Financial Institutions Act 2002
FSA 2013	Financial Services Act 2013
FSAP	Financial Sector Assessment Program Malaysia
FSMP	Financial Sector Master Plan
GP1-i 2013	Guidelines on Corporate Governance for Licensed Islamic Banks 2013
GP8-i 2012	Guidelines on Financial Reporting for Islamic Banking Institutions 2012
IFIs	Islamic Financial Institutions
IFSA 2013	Islamic Financial Services Act 2013
IFSB	Islamic Financial Services Board
OECD	Organisation for Economic Co-operation and Development
pbuh	Peace Be Upon Him
SC	Shariah Committee
SCA 1993	Securities Commission Act 1993
SGF 2011	Shariah Governance Framework 2011
SSB	Shariah Supervisory Board

CHAPTER ONE

INTRODUCTION

1.1 Background of Study

Ironically, the exclusivity of the divine values of Islamic finance based on the Quran and Hadith being the basis of the system has significantly risen the emergence of Islamic banking and finance. Consequently, the business and economics development of Islamic finance has become the new trend in the finance and banking industry (Wardhany & Arshad, 2012). Basically, the Shariah principles are the substance of Islamic banking operations. By that fact, the comprehensive system in compliance with Shariah principles distinguishes Islamic banking from the conventional banking (Shaharuddin, 2011). Agreeably, Shariah compliance is the original foundation in having a banking system that fulfills the religious requirements for Muslims, from Islamic point of view (Elias, 2014). In order to avoid Shariah non-compliance risk, a sound and robust Shariah governance framework is crucial with the excellent enforcement of laws.

According to Hasan (2010), for the purpose of Shariah compliance, the theoretical substance of Shariah governance needs an additional layer of governance in Islamic banks. The internal Shariah governance of Islamic banking institutions should be supported by their external counterparts to ensure that all involved parties do their duties as stipulated in Islamic law requirements. At this point, the regulations and its

The contents of
the thesis is for
internal user
only

REFERENCES

- Abu, N. Z., Jasin, D., Razak, S. H. A. & Sharif, K. (2014). Corporate Governance and Maqasid Shariah: An Empirical Study on Management Practices of Takaful Operators in Malaysia. *International Journal of Financial Economics*, 3(1), 41-56.
- Abu-tapanjeh, A. M. (2009). Corporate Governance from the Islamic Perspective: A Comparative Analysis with OECD Principles. *Critical Perspectives on Accounting*, 20(5), 556-567.
- Accounting and Auditing Organization for Islamic Financial Institutions. (2010). *Accounting, Auditing and Governance Standards for Islamic Financial Institutions*. Bahrain: AAOIFI.
- Affin Islamic Bank Berhad. (2014). *Annual Report 2014*. Retrieved from <http://www.affinislamic.com.my/Corporate-Information/Annual-Report.aspx>.
- Ahmad, J. S. (2010). *Corporate Governance in Islamic Banks* [PowerPoint slides]. Hawkamah: The Institute for Corporate Governance. Retrieved from Dubai International Financial Centre Online Website https://www.difc.ae/sites/default/files/Corporate%20Governance%20in%20Islamic%20Finance%20June%202010%20v2_0.pdf.
- Ahmed, M. & Khatun, M. (2013). The Compliance with Shariah Governance System of AAOIFI: A Study on Islamic Banks Bangladesh. *Journal of Islamic Economics, Banking and Finance*, 9(3), 177-191.
- Akhtar, S. (2006). Shariah Compliant Corporate Governance. *Annual Corporate Governance Conference 2007*, 6, 1-6.
- Alhabshi, S. O. (2014). *Being Completely Compliant*. Retrieved from www.incief.org/blog/completely-compliant/.
- Alnasser, S. A. S. & Muhammed, J. (2012). Introduction to Corporate Governance from Islamic Perspective. *Humanomics*, 28(3), 220-231.
- Al-Rajhi Banking and Investment Corporation (M) Berhad. (2014). *Annual Report 2013*. Retrieved from http://www.alrajhibank.com.my/corporate_financial_report_2013.shtml.
- Am Islamic Bank Berhad. (2014). *Annual Report 2014*. Retrieved from <http://www.ambankgroup.com/eng/InvestorRelations/FinancialResultsAndCorporatePresentations/Pages/FY2013.aspx>.
- Asian Finance Bank Berhad. (2014). *Annual Report 2013*. Retrieved from http://www.asianfinancebank.com/financials/financial_reports.html.

- Aziz, Z. A. (2006). *Islamic Banking and Finance Progress and Prospects Collected Speeches: 2000-2006*. 2nd Ed. Kuala Lumpur: Bank Negara Malaysia.
- Banaga, A., Ray, G. H. & Tomkins, C. R. (1994). *External Audit and Corporate Governance in Islamic Banks: A Joint Practitioner-Academic Research Study*. England: Avebury.
- Bank Islam Malaysia Berhad. (2014). *Annual Report 2014*. Retrieved from <http://www.bankislam.com.my/home/corporate-info/annual-reports/>.
- Bank Muamalat Malaysia Berhad. (2014). *Annual Report 2014*. Retrieved from <http://www.muamalat.com.my/corporate-overview/financials/2014.html>.
- Bhattacharjee, A. (2012). *Social Science Research: Principles, Methods, and Practices*. 2nd Ed. [Textbook Collection]. Retrieved from http://scholarcommons.usf.edu/oa_textbooks/3/.
- BNM List of Licensed Banking Institutions in Malaysia. (2015). *Bank Negara Malaysia*. Retrieved from <http://www.bnm.gov.my/index.php?ch=li&cat=islamic&type=IB&fund=0&cu=0>. Accessed at June 1, 2015.
- Cavana, R. Y., Delahaye, B. L. & Sekaran, U. (2001). *Applied Business Research: Qualitative and Quantitative Methods*. Australia: John Wiley & Sons Australia Ltd.
- Chatterjee, C. (2000). *Methods of Research in Law*. 2nd Ed. London: Old Bailey Press.
- Chik, M. N. (2014). *Shariah Framework & Governance in Islamic Finance: Part III*. Paper Presented at Islamic Banking and Finance Institute Malaysia, Kuala Lumpur.
- Choudhury, M. A. & Hoque, M. Z. (2006). Corporate Governance in Islamic Perspective. *Corporate Governance*. 6(2). 116-128.
- CIMB Islamic Bank Berhad. (2014). *Annual Report 2014*. Retrieved from <http://www.cimbislamic.com/en/investor-relations.html>.
- Collis, J. & Hussey, R. (2009). *Business Research: A Practical Guide for Undergraduate & Postgraduate Students*. New York: Palgrave Macmillan.
- Creswell, J. W. (2008). *Educational Research: Planning, Conducting, and Evaluating Quantitative and Qualitative Research*. 3rd Ed. New Jersey: Pearson Education Ltd.
- Darmadi, S. (2013). Corporate Governance Disclosure in the Annual Report: An Exploratory on Indonesian Islamic Banks. *2011 Islamic Seminar and Conference on Islamic Economics*, 29(1), 4-23.

- Dusuki, A. W. (2008). *Islamic Finance: An Old Skeleton in a Modern Dress*. Kuala Lumpur: International Shari'ah Research Academy for Islamic Finance (ISRA).
- El Tiby, A. M. (2011). *Islamic Banking: How to Manage Risk and Improve Profitability*. New Jersey: John Wiley & Sons Inc.
- Elias, A. (2014). *Shariah Framework & Governance in Islamic Finance: Part II*. Paper Presented at Islamic Banking and Finance Institute Malaysia, Kuala Lumpur.
- Eriksson, P. & Kovalainen, A. (2008). *Qualitative Methods in Business Research*. London: SAGE Publications Ltd.
- Garas S. N., (2012). The Control of the Shari'a Supervisory Board in the Islamic Financial Institutions, *International Journal of Islamic and Middle Eastern Finance Management*, 5(1), 8-24.
- Grassa R., (2103). Shariah Supervisory System in Islamic Financial Institutions, *International Journal of Islamic and Middle Eastern Finance Management*, 29(4), 333-348.
- Hamza H., (2013). Sharia Governance in Islamic Banks: Effectiveness and Supervision Model. *International Journal of Islamic and Middle Eastern Finance Management*, 6(3), 226-237.
- Hancock, B. (2002). *An Introduction to Qualitative Research*. Trent Focus Group.
- Hanefah, M. M. Shafii, Z. Salleh, S. & Zakaria, N. (2012). *Governance and Shariah Audit in Islamic Financial Institutions*. Nilai: USIM.
- Haqqi, A. R. A. (2014). Shariah Governance in Islamic Financial Institution: An Appraisal. *US-China Law Review*, 11(12), 112-133.
- Hasan, A. (2007). Optimal Shariah Governance in Islamic Finance. Retrieved Dis 12, 2014. From http://www.nzibo.com/IB2/04_01.pdf.
- Hasan, Z. (2008). Corporate Governance in the Islamic Financial Institutions. *Paper presented at the Conference on Malaysian Study of Islam*. Lamperter, United Kingdom.
- Hasan, Z. (2008). Shariah Governance in the Islamic Financial Institutions in Malaysia [Blog post]. Retrieved from zulkiflihasan.files.wordpress.com/2008/05/jurnal-management-kuis.pdf.
- Hasan, Z. (2009). Corporate Governance: Western and Islamic Perspectives. *International Review of Business Research Papers*, 5(1), 277-293.
- Hasan, Z. (2010). Regulatory Framework of Shari'ah Governance System in Malaysia, GCC Countries and the UK. *Kyoto Bulletin of Islamic Area Studies*, pp. 82-115.

- Hasan, Z. (2010). Sharia Governance in Islamic Financial Institutions and the Effect of the Central Bank of Malaysia Act 2009. *Journal of International Banking Law and Regulation*, 25(3), 105-108
- Hasan, Z., (2011) A Survey on Shari'ah Governance Practices in Malaysia, GCC Countries and the UK. *International Journal of Islamic and Middle Eastern Finance Management*, 4(1), 30-51.
- Hasan, Z., (2014). In Search of the Perceptions of the Shari'ah Scholars on Shari'ah Governance System. *International Journal of Islamic and Middle Eastern Finance Management*, 7(1), 22-36.
- Hassan, R. (2014). *Corporate Governance Practice in Islamic Financial Institutions*. Kuala Lumpur: IBFIM.
- Hassan, R., Abdullah, N. I., Hassan, A., Ibrahim, U., Sawari, M. F. M., Aziz, A. A. & Triyanta, A. (2013). A Comparative Analysis of Shari'ah Governance in Islamic Banking Institutions Across Jurisdictions. *ISRA Research Paper No. 50/ 2013*. Kuala Lumpur: ISRA.
- Hassan, R., Arifin, M., Othman, A. A., Napiah, M. D. M., Omar, M. N. & Yusoff, A. (2014). *An Empirical Study of the Effectiveness of the Shari'ah Governance Framework (SGF 2010)*. *ISRA Research Paper No. 68/ 2014*. Kuala Lumpur: ISRA.
- Hassan, V., Shanmugam, B. & Perumal, V. (Eds.). (2005). *Corporate Governance: An Islamic Paradigm*. Serdang: Universiti Putra Malaysia Press.
- Hong Leong Islamic Bank Berhad. (2014). *Annual Report 2014*. Retrieved from <https://www.hlisb.com.my/about-us/investor-relations/annual-report>
- HSBC Amanah Malaysia Berhad. (2014). *Annual Report 2014*. Retrieved from. <http://www.hsbc.com.my/1/2/amanah/hsbc-amanah-and-you/corporate-information/financial-results>.
- Hussain, M. A., Hassan, R. & Hasan, A. (2015). Kehendak Shariah dalam Akta Perkhidmatan Kewangan Islam 2013 (Akta 759): Satu Tinjauan. *Shariah Reports (A Journal on Islamic Law, Banking & Finance)*. [2015] 1 SHR January-March, lxxix-civ.
- Ibrahim, H. & Hamid, N. (Eds.). (2007). *Islamic Banking and Finance*. Selangor: Gavel Publications.
- Ismail, H. & Latiff, R. A. (2001). *Survey & Analysis of Financial Reporting of Islamic Banks Worldwide*. Kuala Lumpur: Arab-Malaysian Banking Group.
- Ismail, M. Z. & Badron, M. S. (2012). *Good Governance: Adab-Oriented Tadbir in Islam*. Kuala Lumpur: Penerbit IKIM.

- Kasim, N. A. A. (2012). Disclosure of Shariah Compliance by Malaysian Takaful Companies. *Journal of Islamic Accounting and Business Research*, 3(1), 20-38.
- Kasim, N., Htay, S. N. N. & Salman, S. A. (2013). Comparative Analysis on AAOIFI, IFSB and BNM Shari'ah Governance Guidelines. *International Journal of Business and Social Science*, 4(15), 220-227.
- Kuwait Finance House Malaysia Berhad. (2014). *Annual Report 2014*. Retrieved from http://www.kfh.com.my/kfhmb/v2/programView.do?contentType=3000&displayPage=%2Fver2%2Fprogram%2FdocumentListing.jsp&channelPath=%2Fver2%2Fv2_Navigation%2FAbout+Us%2FInvestor+Relations&programName=01_Annual+Reports&tabId=5.
- Lahsasna, A. & Saba, I. (2014). Shariah Governance in the Islamic Financial Institutions: Issues and Challenges". *5th International Conference on Business and Economic Research Proceeding*. 692-709.
- Lahsasna, A. (2010). *Introduction to Fatwa, Shariah Supervision & Governance in Islamic Finance*. Kuala Lumpur: CERT Publications Sdn Bhd.
- Lahsasna, A. (2014). Moving the Financial Industry to the Next Level of Shariah Compliance. Retrieved from <http://www.inceif.org/research-bulletin/moving-financial-industry-next-level-shariah-compliance/>.
- Laldin, M. A. (2103). IFSA 2013: Pospects and Future. *Paper Presented at International Islamic University Malaysia*.
- Maingot, M. & Zeghal, D. (2008). An Analysis of Corporate Governance Information Disclosure by Canadian Banks. *Corporate Ownership & Control*, 5(2), 225-236.
- Majid, N. A., Sulaiman, M. & Ariffin, N. M. (2011). Developing a Corporate Governance Disclosure Index for Islamic Financial Institutions. *8th International Conference on Islamic Economics and Finance*, 1-25.
- Malaysia International Islamic Financial Centre (MIFC). (2014). *Shariah Compliance in All Matters: The Priority of a Robust Islamic Finance Ecosystem*. Retrieved from www.mifc.com.
- Maybank Islamic Berhad. (2014). *Annual Report 2014*. Retrieved from <http://www.maybank.com/en/investor-relations/reporting-events/reports/annual-reports.page?>.
- Miskam, S. & Nasrul, M. A. (2013). Shariah Governance in Islamic Finance: The Effects of the Islamic Financial Services Act 2013. *World Conference on Integration of Knowledge*, 455-465.

- Mizushima, T. (2014). Corporate Governance and Shariah Governance at Islamic Financial Institutions: Accessing from Current Practice in Malaysia. *Reitaku Journal of Interdisciplinary Studies*, 22(1), 59-84.
- Mohamad, S., Sori, Z. M. & Shah, E. (2015). Shariah Governance: Effectiveness of Shariah Committees in Islamic Banks in Malaysia. Retrieved from ssrn.com/abstract=2555373.
- Mujahid, W. A. (2012). *The Shari'ah and The Rule of Law – Islamic Governance for The 21st Century*. Retrieved from <http://www.khilafah.com/index.php.the-khilafah/judiciary/13366-the-shariah-and-the-rule-of-law-islamic-governance-for-the-21st-century>.
- Muneeza, A. & Hassan, R. (2011). Legal Obstacles in Shari'ah Corporate Governance of Islamic Financial Institutions in Malaysia. *Journal of King Abdulaziz University for Islamic Economics*, 24(2), 177-180.
- Muneeza, A. & Hassan, R. (2011). *The Legal Conflicts in Shari'ah Corporate Governance Islamic Financial Institutions in Malaysia*. Retrieved from <http://www.wbiconpro.com/611-Aisath.pdf>.
- Myers, M. D. (2013). *Qualitative Research in Business & Management*. London: SAGE Publications Ltd.
- Obid, S. N. S. & Naysary, B. (2014). Toward a Comprehensive Theoretical Framework for Shariah Governance in Islamic Financial Institutions. *Journal of Financial Services Marketing*, 19(4), 304-318.
- OCBC Al-Amin Bank Berhad. (2014). *Annual Report 2014*. Retrieved from <http://www.ocbc.com.my/group/investors/financial-results-ocbc-al-amin.html>.
- Ousama, A. A. & Fatima, A. H. (2010). Voluntary Disclosure by Shariah Approved Companies: An Exploratory Study. *Journal of Financial Reporting and Accounting*, 8(1), 35-49.
- Pengurusan dalam Islam: Menghayati Prinsip dan Nilai Qurani*. (2005). Kuala Lumpur: Akademi Pengurusan YPEIM Sdn. Bhd.
- Puad, N. A. M. (2014). Effectiveness of Shari'ah Auditor in Malaysia Takaful Industry: A Proposed Framework. *Proceeding of International Conference on Postgraduate Research 2014*. 342-350.
- Public Islamic Bank Berhad. (2014). *Annual Report 2014*. Retrieved from http://www.publicislamicbank.com.my/pibb/en/en_content/about/stat.html.
- Puveneswary, M., Rahim, R. A., Naidu, R. S., Badzis, M., Nayan, N. F. M., & Aziz, N. H. A. (2008). *Qualitative Research: Data Collection & Data Analysis Technique*. Sintok: Universiti Utara Malaysia.

- Radzi, R. M. & Muhamed, N. A. (2012). An International Comparative Study on Shariah Governance Supervision of Sukuk Defaults. *Journal of Islamic Economics, Banking and Finance*, 8(3), 20-39.
- Rahman, A. A. & Bukair, A. A. (2013). The Influence of the Shariah Supervision Board on Corporate Social Responsibility Disclosure by Islamic Banks of Gulf Cooperation Council Countries. *Asian Journal of Business and Accounting*. 6(1), 65-105.
- Rahman, Y. A. (2010). *The Art of Islamic Finance and Banking: Tools and Techniques for Community-Based Banking*. New Jersey: John Wiley & Sons Inc.
- Ramli, N. M., Majid, A. S. A., Muhamed, N. A. & Yaakub, N. A. (2014). Shariah Governance Disclosure Index and Institutional Ownership of Islamic Financial Institutions in Malaysia. *Proceedings of 5th Asia-Pacific Business Research Conference*. 1-14.
- RHB Islamic Bank Berhad. (2014). *Annual Report 2014*. Retrieved from <http://www.rhbgroup.com/investor-relations/financial-reports/annual-reports/rhb-capital-berhad/>.
- Saidi, N. (2007). Shariah Compliant Corporate Governance. *Paper Presented at Islamic Funds World, Dubai*.
- Sanusi, N. A., Harun, M. & Samsudin, S. (Eds.). (2007). *Readings in Islamic Economics and Finance*. Sintok: Universiti Utara Malaysia Press.
- Sekaran, U. & Bougie, R. (2013). *Research Methods for Business: A Skill-Building Approach*. 6th Ed. United States: John Wiley & Sons.
- Shafii Z., Abidin, A. Z., Salleh, S., Jusoff, K. & Kasim, N. (2013). Post Implementation of Shariah Governance Framework: The Impact of Shariah Audit Function Towards the Role of Shariah Committee. *Middle-East Journal of Scientific Research* 13, (Research in Contemporary Islamic Finance and Wealth Management), 7-11.
- Shaharuddin, A. (2011). Shariah Governance of Malaysian Islamic Banking Institutions. *Jurnal Ekonom*. Vol. 14. No. 2. pp. 53-57.
- Shanmugam, B. & Perumal, V. (2005). Governance Issues and Islamic Banking. Hassan, V., Shanmugam, B. & Perumal, V. (Eds.). *Corporate Governance: An Islamic Paradigm*. (pp. 1-10). Serdang: Universiti Putra Malaysia Press.
- Shariah Compliance in all Matters: The priority of a Robust Islamic Finance Ecosystem*. (2014). Retrieved from www.mifc.com/?ch=28&pg=72&ac=67&bb=uploadpdf.
- Standard Chartered Saadiq Berhad. (2014). *Annual Report 2013*. Retrieved from <https://www.sc.com/my/investor-relations/financial-results.html>.

- Sulaiman, M., Majid, N. A. & Ariffin, N. M. (2011). Corporate Governance of Islamic Financial Institutions in Malaysia. *8th International Conference on Islamic Economics and Finance*, 1-21.
- Thajudeen, K. S. (2013). *Issues in Corporate Governance in Islamic Financial Institutions: A Case Study on Bank Islam*. INCEIF.
- Thajudeen, K. S. (2014). IFSA 2013: Rationale, Salient Features and Possible Issues. Retrieved from http://www.academia.edu/8277563/IFSA_2013_Rationale_Salient_Features_and_Possible_Issues.
- Ullah, H. (2014). Shari'ah Compliance in Islamic Banking, *International Journal of Islamic and Middle Eastern Finance Management*, 7(2), 182-198.
- Vibhute, K. & Aynalem, F. (2009). *Legal Research Methods: Teaching Material*. Retrieved from www.chilot.wordpress.com.
- Wardhany, N. & Arshad, S. (2012). The Role of Shariah Board in Islamic Banks: A Case study of Malaysia, Indonesi and Brunei Darussalam. *Paper presented at 2nd ISRA Colloquium 2012 on Islamic Finance in a Challenging Economy: Moving Forward*. 1-22.
- Yaacob, H. (2014, October). Islamic Finance Regulatory Framework. *Paper Presented at Islamic Banking and Finance Institute Malaysia, Kuala Lumpur*.
- Yaqin, A. (2007). *Legal Research and Writing*. Kelana Jaya: Lexis Nexis.
- Yusof, E. F. E., (2009). A Critique of Shariah Reports in Selected Islamic Banks. retrieved from <https://www.scribd.com/doc/21952717/A-Critique-of-Shariah-Reports-in-Selected-Islamic-Banks>.
- Zahraa, M. (1998). *Research Methods for Law Postgraduate Overseas Students*. Kuala Lumpur: Univision Press.