



The Role of the Sharia Supervisory Board on Muamalah Principles Compliance in Islamic Financial Institutions

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ABSTRACT

This research discusses the role of the sharia supervisory board in ensuring compliance by sharia financial institutions with the principles of Islamic law. The sharia supervisory board has an important task in overseeing the implementation of fatwas issued by DSN-MUI, its aim is to ensure that all products and services offered comply with sharia principles. This research was also carried out to identify what challenges the sharia supervisory board will face, such as differences in interpretation of Islamic law, technological developments and also global competitive pressures. In addition, the author offers strategic recommendations that can be taken to strengthen the role of the sharia supervisory board in maintaining sharia compliance. So the method used in this research is descriptive qualitative with a library research approach. In its conclusion, this research emphasizes the importance of the sharia supervisory board as an entity that guarantees the integrity and sustainability of Islamic financial institutions amidst the challenges of an increasingly complex era.

ABSTRAK

Penelitian ini membahas mengenai peran Dewan Pengawas Syariah (DPS) dalam memastikan kepatuhan lembaga keuangan syariah terhadap prinsip-prinsip hukum islam. Dewan Pengawas Syariah memiliki tugas penting dalam mengawasi penerapan fatwa yang dikeluarkan oleh DSN-MUI, tujuannya adalah memastikan bahwa semua produk dan layanan yang ditawarkan sesuai dengan prinsip-prinsip syariah. Penelitian ini juga dilakukan untuk mengidentifikasi mengenai tantangan-tantangan apa saja yang akan dihadapi oleh Dewan Pengawas Syariah, seperti perbedaan interpretasi terhadap hukum Islam, perkembangan teknologi dan juga tekanan kompetitif global. Selain itu, penulis menawarkan rekomendasi strategi yang dapat diambil untuk memperkuat peran Dewan Pengawas Syariah dalam menjaga kepatuhan syariah. Sehingga metode yang digunakan dalam penelitian ini adalah deskriptif kualitatif dengan pendekatan penelitian kepustakaan. Penelitian ini menegaskan pentingnya Dewan Pengawas Syariah sebagai entitas yang menjamin integritas dan keberlanjutan lembaga keuangan Islam di tengah tantangan zaman yang semakin kompleks.

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INTRODUCTION

In the global financial system, Islamic financial institutions are institutions that provide an active role in providing a financial system with a different form. That is using a financial system with sharia principles. The purpose behind the emergence of the Islamic financial system is the formation of Islamic values and ethics in the economic environment. This happens because Islamic financial institutions are formed not only on commercial transactions, but also on muamalah transactions that produce mutual benefits without one party feeling disadvantaged. All Islamic financial institutions will certainly be serious in paying attention to the limits outlined by religion.



To maintain the integrity of an Islamic financial institution, it is necessary to supervise the Islamic financial institution, the aim is to maintain Islamic values and ethics in muamalah transactions (Jelita et al., 2024). This supervision is carried out on the products and services offered by Islamic financial institutions. So, this is where the role of supervisors is needed. In Indonesia, supervision is carried out by a group of people or an individual called the Shariah Supervisory Board (SSB). Shariah Supervisory Board are not the same as auditors, they do not conduct audits of Islamic financial institutions. However, their role is limited to review and supervise the operational activities of an Islamic financial institution to ensure compliance with established principles

In other countries such as the Gulf Cooperation Council (GCC) countries, there are various names and forms of sharia supervision. Examples include the Sharia Supervisory Board (SSB) and the Sharia Supervisory Committee (SSC). Broadly speaking, they are all the same, but what distinguishes them is their main functions and duties. In the Sharia Supervisory Board (SSB) in Indonesia, the main function and task is to oversee the implementation of the fatwa that has been determined by DSN-MUI, besides that they also oversee the entire series of activities or activities of an Islamic financial institution (IFI). Meanwhile, the Sharia Supervisory Board (SSB) is a committee whose activities are carried out in a small area. The supervisor consists of several sharia experts whose job focus is to provide supervision of the activities of an Islamic financial institution. While the Sharia Supervisory Committee (SSC) is a committee that covers a wide area, the SSC aims to supervise all operational aspects of Islamic financial institutions. Shariah Supervisory Board at SSC is larger, where the supervision will be carried out by various sharia experts with different backgrounds.

Shariah Supervisory Board (SSB) was formed to supervise and improve sharia compliance at every sharia financial institution in Indonesia. The sharia financial institution must be able to guarantee its ability to carry out operational activities in accordance with sharia principles, so that the institution's operations do not conflict with existing religious values and legal norms. Such as prohibitions against gambling, gharar and usury. Because, what will differentiate between Islamic financial institutions and conventional financial institutions lies in the principles used by these financial institutions. If sharia principles are not implemented properly and correctly then are there differences between these institutions. Therefore, Shariah Supervisory Board is a key to implementing sharia principles in financial institutions.

The existence of sharia principles will have an impact on a country's economy. An institution that implements the sharia system in its operations will emphasize fairness in every economic transaction it carries out, by avoiding the practice of gambling, usury and gharar, it will reduce the economic gap between the rich and the poor. So this will create a fairer and better economic system. In addition, the prohibition of speculative and excessive transactions in sharia principles will help maintain the stability of the country's finances by reducing the risk of an economic crisis. So, the presence of a Shariah Supervisory Board in a financial institution will greatly influence compliance with muamalah law within an institution. So that the institution can clearly set limits on transactions that are detrimental to one of the parties. Sharia principles have been regulated as well as possible to create a fair and good economy for all humanity in the world.

LITERATURE REVIEW

Islamic Financial Institutions

Islamic financial institutions are institutions engaged in finance where their activities are carried out based on sharia principles. Meanwhile, according to (Mukharom et al., 2024) Islamic financial



institutions are a business entity whose wealth is calculated from the form of financial assets owned. Examples of Islamic financial institutions are Islamic banking (Bank Muamalat), Islamic insurance (Allianz Syariah), Islamic pawnshops, non-bank financial institutions (BMT) and many more. In Indonesia itself there are various forms of laws regulating financial institutions, one of which is the law regulating Islamic banking. As its nature is dynamic, every law will be able to continue to change according to the needs and developments of the times. For example, Undang-Undang No. 7 of 1998 was changed to Undang-Undang No. 21 of 2008.

The function and role of Islamic financial institutions is to meet the needs of the community in economic funding activities. With the existence of Islamic financial institutions in the national economy, it will certainly be able to help recovery in increasing productivity, financial stability and also the creation of sustainable growth (Jannah & Nisa, 2024). There are two direct roles performed by Islamic financial institutions, namely business entities and social bodies. As a business entity, the role and function of financial institutions is to become investment managers, investors, and also play a role in services. Whereas in social agencies, Islamic financial institutions function in managing social funds originating from the collection and distribution of zakat, infaq, and sadaqah funds (Mukharom et al., 2024).

Sharia Supervisory Board

The Sharia Supervisory Board (SSB) is an institution that will be responsible for providing opinions and recommendations regarding the sustainability of a company, besides that this institution must also supervise every action taken by Sharia Financial Institutions (LKS). This is done so that these actions are in accordance with the established sharia principles (Jannah & Nisa, 2024). Meanwhile, according to Lestari et al. (2023) the Sharia Supervisory Board (SSB) is an institution whose job is to oversee the operations and practices of Islamic financial institutions (IFIs) so that the activities carried out adhere to sharia principles. To become part of the SSB members, it is necessary to conduct an election through a shareholder meeting, where the candidates have been recommended directly by MUI (Indonesian Ulama Council) (Jannah & Nisa, 2024).

According to Lestari et al. (2023) the nature of the Sharia Supervisory Board is independent, they are not part of financial institutions such as employees, so they do not need to control the administration of the institutions they supervise. The work system and duties will be determined the same as with other supervisory bodies. According to (Setianto, 2019) The important thing to note in the appointment of SSB members is to consider their scientific qualifications. SSB members must be able to have a comprehensive understanding of the science of fiqh muamalah (Islamic law related to economic transactions) and modern Islamic financial economics. By fulfilling these qualifications, the supervision will run smoothly and effectively.

Muamalah Principles

According to Nurfaizal (2013) Muamalah is part of Islamic law that regulates relations between two or more parties, namely between a person and another person or between legal entities such as those carried out by corporate institutions, firms, foundations, states, and so on. According to the Islamic Encyclopedia, the scope of muamalah in fiqh used to be family matters, but during the Ottoman era there was a grouping of fiqh. So that the field of muamalah is narrowed down to a law that regulates actions between fellow human beings, which concerns property and rights as well as the settlement of cases that will be faced between them (Nurfaizal, 2013). In fiqh muamalah, understanding related to muamalah must be in-depth, because this will be crucial for Islamic business actors (Jelita et al., 2024). In Islam, the scope of muamalah fiqh is all aspects of transactions carried out by mankind. Muamalah



is a guideline for mankind in running a business that is in accordance with the teachings. This happens so that the business that is carried out is not only profitable but also carried out wisely in accordance with the demands of sharia.

The original law of muamalah is permissible, but it is not allowed if there are things that forbid it. Examples are making transactions in gharar, usury and bathil. According to (Munib, 2018) the scope of muamalah is (1) buying and selling (al bai'at tijarah), (2) pawning (rahn), (3) debt transfer (hiwalah), (4) guarantees and dependents (kafalah and dhamam), (5) companies (ash shirkah), (6) the company of property and labor (mudharabah), (7) wages (ujroh al amah), (8) leasing (musaqoh mukhabarah), (9) competitions (al-jialah), (10) gifts (al hibbah), and so on. Fiqh muamalah is a law that seeks to prioritize mutual benefit and stay away from hostility and discord among humans. According to (Munib, 2018) muamalah activities are not used for material only but there is a transcendental backing so that its value becomes worship.

RESEARCH METHODOLOGY

The research method used is the descriptive qualitative method with a library research approach. Therefore, the discussion in this research is carried out based on literature reviews and references that are relevant to the object of research. The object of research in this case is books and journal articles related to muamalah law, sharia supervision and also Islamic Financial Institutions (IFIs), as well as other supporting sources. After that, patterns and themes are identified through the data that has been collected. This research method is expected to provide a comprehensive and in-depth understanding of the role of the Sharia Supervisory Board in maintaining compliance with muamalah law in Islamic financial institutions. By utilizing the data and information available through literature review, it is hoped that this research can provide new insights and valuable contributions. The literature study approach allows this research to gain an in-depth understanding through the analysis of literature relevant to the research topic, providing a solid foundation to explain the role of the Sharia Supervisory Board in the context of compliance with muamalah law in Islamic financial institutions.

RESULT AND DISCUSSION

Shariah Supervisory Board serves as the primary watchdog that ensures that Islamic financial institutions conduct their operations in accordance with Islamic law. They not only oversee the products and services offered, but also provide fatwas regarding the sharia aspects of these products. The fatwa issued by the SSB has a major impact, as it determines whether the product or service is acceptable within the sharia framework or not (Asbisindo, 2024). In addition, Shariah Supervisory Board (SSB) has the responsibility of conducting sharia audits of the activities of Islamic financial institutions. This audit includes the examination of transactions, policies, and financial statements to ensure that there are no elements that violate sharia principles. Thus, the Sharia Board acts as a supervisor that keeps Islamic financial institutions on track in accordance with Islamic law (Rachman et al., 2023).

The Sharia Council also has a strategic role in the development of new financial products. With the development of the digital world and financial technology (fintech), the Sharia Board needs to review new products such as blockchain-based sukuk or peer-to-peer (P2P) financing. In this case, the Sharia Board acts as a strategic advisor to ensure that product innovation does not violate sharia principles (Rafidah & Maharani, 2024). There are several significant challenges faced by the Sharia Council, as identified by Prabowo & Jamal (2017). These challenges arise from both internal institutional factors and external environmental dynamics that affect the consistency and effectiveness



of Sharia governance. Specifically, Prabowo & Jamal (2017) highlight key issues such as differing interpretations of Sharia principles, limited expertise in financial innovation, and the growing commercial pressures within the Islamic finance industry. This study highlights three key issues as challenges in the effective implementation of the Sharia Supervisory Board's (DPS) functions, namely:

Different Interpretations of Sharia Law

One of the most persistent challenges faced by Sharia Supervisory Boards (SSBs) in Islamic financial institutions is the diversity of interpretations regarding Sharia principles. While there is broad consensus on the fundamental sources of Islamic law—namely the Qur'an, Hadith, Ijma', and Qiyas—the practical application of these sources in contemporary financial contexts often varies significantly. This divergence arises from differences in legal methodology (*usul al-fiqh*), *madhhab* (schools of jurisprudence), and contextual factors, including national laws and regulatory environments. As a result, Islamic financial products deemed permissible in one country may be considered non-compliant in another. This challenge becomes more complex with the emergence of new and innovative financial instruments such as *sukuk*, Islamic derivatives, and digital financial services. These instruments often require detailed Sharia analysis, which can lead to differing fatwas and rulings among SSBs across jurisdictions. Such inconsistency can create legal uncertainty for financial institutions and hinder the growth of cross-border Islamic finance. Investors, regulators, and financial service providers may become hesitant when faced with varying interpretations of compliance for the same product in different countries.

In response to this issue, it is essential for national Sharia Boards to enhance collaboration and dialogue at the international level. Joint forums, cross-border fatwa councils, and mutual recognition agreements can serve as platforms to exchange perspectives and build consensus on key Sharia rulings. International organizations such as the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and the Islamic Financial Services Board (IFSB) play a vital role in promoting the standardization of Sharia governance frameworks and interpretive methodologies. Their guidelines can help reduce fragmentation and support greater harmonization in the interpretation of Islamic law as applied to finance. Ultimately, the goal is not to eliminate legitimate scholarly differences, but to minimize interpretive divergence that creates operational barriers and undermines stakeholder confidence. Through constructive engagement, increased transparency, and alignment of regulatory standards, Sharia Boards can help foster a more coherent, stable, and globally integrated Islamic financial system. In doing so, they not only enhance institutional credibility but also reaffirm the universality and adaptability of Sharia principles in addressing the complexities of modern finance.

Technological Advances and Financial Innovation

Technological advancements in the financial sector—such as blockchain, artificial intelligence, digital banking, and fintech platforms—have significantly transformed the way financial services are delivered and managed. For Islamic financial institutions, these innovations offer promising opportunities to expand outreach, improve efficiency, and develop new Shariah-compliant products. However, they also introduce new complexities that require careful assessment from a Shariah compliance perspective. One notable example is the use of blockchain technology in the issuance of *sukuk*, where smart contracts and decentralized structures need to be aligned with the principles of risk-sharing, asset-backing, and the prohibition of *riba* and *gharar*. As these technologies continue to evolve rapidly, Shariah Supervisory Boards (SSBs) face increasing pressure to stay current and competent in evaluating their compliance implications. The traditional framework of fatwa issuance—largely rooted in analog transactions and conventional structures—may not be readily applicable to digital



innovations. Therefore, SSBs must develop a solid understanding of how these technologies function in practice in order to ensure that the resulting financial instruments are not only innovative but also fully compliant with Islamic legal and ethical principles.

The challenge, however, lies in the fact that many Shariah scholars do not possess a background in technology or digital finance. This knowledge gap can limit their ability to engage critically with technological models, assess the risks involved, or ask the right questions during product development discussions. Without adequate technological literacy, SSBs may either delay fatwa issuance or approve products without fully understanding their operational mechanisms—both of which can undermine the credibility and effectiveness of Shariah governance. To address this issue, it is essential to invest in structured training and capacity-building programs specifically tailored to equip Shariah Board members with the technical knowledge required to evaluate emerging financial innovations. This may include interdisciplinary workshops, certification programs, and collaborative learning initiatives involving technologists, Shariah scholars, and finance professionals. Institutions such as DSN-MUI, OJK, and AAOIFI can play a leading role in developing standardized educational modules that bridge the gap between Islamic jurisprudence and modern financial technologies.

Global Competitive Pressures and Commercialization

In the global financial landscape, Islamic financial institutions are increasingly operating in competitive environments alongside well-established conventional banks and financial service providers. These conventional institutions often possess greater access to capital, more advanced technological infrastructure, and broader international networks. In response to such disparities, Islamic financial institutions may feel compelled to innovate aggressively or replicate conventional financial products in order to remain competitive and attract a broader client base. This competitive pressure can, however, present significant ethical and operational challenges. In the pursuit of higher returns and market share, there is a risk that Islamic financial institutions may design or offer financial products that prioritize commercial viability over strict Sharia compliance. For instance, some structures may mimic interest-based instruments or include elements of excessive uncertainty (*gharar*) and risk transfer that are not aligned with the foundational principles of Islamic finance. The subtle shift from substance to form can dilute the integrity of Islamic finance and potentially mislead stakeholders who rely on its ethical value proposition.

In such scenarios, the role of the Sharia Supervisory Board (SSB) becomes even more critical. As the primary guardian of Sharia principles within financial institutions, the SSB is responsible for ensuring that all products and services meet both the letter and the spirit of Islamic law. This requires not only technical competence in Islamic jurisprudence but also a strong commitment to uphold ethical standards in the face of market-driven compromises. The SSB must function with a high degree of independence and authority to effectively resist pressures from management or shareholders who may prioritize profitability over compliance. Furthermore, the increasing commercialization of Islamic finance raises questions about the long-term credibility and authenticity of the industry. If stakeholders—particularly ethically motivated investors and Muslim consumers—begin to perceive Islamic finance as merely a rebranded version of conventional finance, the sector risks losing its unique identity and social legitimacy. Sharia Boards, therefore, play a vital role not just in compliance oversight but also in preserving the philosophical and moral foundations of the Islamic financial system.

To navigate these global pressures, SSBs must also collaborate more closely with regulators, industry groups, and educational institutions to promote a shared understanding of what constitutes authentic Sharia compliance. Establishing clear and enforceable standards, conducting regular Sharia



audits, and increasing transparency in fatwa processes can help strengthen the resilience of Islamic financial institutions in the face of commercialization. By reinforcing their ethical mandate, Sharia Boards can ensure that Islamic finance continues to grow in a manner that is both financially sustainable and spiritually accountable.

Meanwhile, based on the analysis conducted, this study proposes three main strategies to enhance the effectiveness of the Sharia Supervisory Board's (DPS) functions Prudential (2023) , namely:

Collaboration Between Global Sharia Boards

Collaboration between Sharia Supervisory Boards (SSBs) at the international level has become increasingly important in the context of the global expansion of Islamic finance. As Islamic financial institutions operate across multiple jurisdictions, differences in the interpretation of Sharia principles can pose challenges to regulatory consistency and investor confidence. Establishing cross-border cooperation among Sharia boards can help address these discrepancies by facilitating mutual understanding, aligning standards, and reducing regulatory fragmentation in the application of Muamalah law. Collaboration between Sharia Councils in different countries can help overcome differences in legal interpretation and create more consistent sharia supervision standards at the global level. By establishing this cooperation, Sharia Councils can strengthen their role in supervising Islamic financial institutions around the world

One of the main benefits of such collaboration is the development of unified guidelines and fatwas on key financial products and practices. Joint efforts among Sharia scholars from different countries can result in more coherent and widely accepted rulings, particularly in complex or innovative areas such as sukuk structures, Islamic derivatives, or fintech solutions. By sharing experiences and deliberating collectively, Sharia boards can strengthen their supervisory roles and provide clearer, more predictable guidance to the industry, ultimately promoting the stability and sustainability of Islamic financial markets.

However, the success of this collaboration depends on several factors, including political will, institutional capacity, and mutual recognition of scholarly authorities. Differences in legal traditions, regulatory environments, and theological approaches may create barriers to cooperation. Therefore, international platforms—such as the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) or the Islamic Financial Services Board (IFSB)—can play a critical role in facilitating dialogue, standard-setting, and knowledge exchange among national Sharia boards. In the long term, enhancing global collaboration among SSBs will not only strengthen the credibility of Islamic finance but also contribute to its harmonization and integration into the broader financial system.

Strengthening Islamic Supervision and Audit Systems

Strengthening the Islamic supervision and audit systems is essential to ensuring the ongoing credibility and Sharia compliance of Islamic financial institutions. While Sharia Supervisory Boards (SSBs) have played a vital role in providing oversight, many institutions still rely on manual or traditional methods of auditing that may lack the efficiency and responsiveness required in today's complex financial environment. By enhancing the current Sharia audit frameworks, institutions can better identify compliance risks and maintain the integrity of Islamic financial practices. To improve the effectiveness of supervision, the Shariah Board should strengthen the existing shariah audit system. The use of technology in auditing, such as data analytics and blockchain for transaction tracking, can



improve the efficiency and accuracy of supervision. Thus, the Sharia Board can detect potential sharia violations faster and more effectively.

The integration of advanced technologies into the Sharia audit process represents a transformative step toward more effective supervision. Tools such as data analytics can help auditors detect anomalies, inconsistencies, or patterns that may indicate non-compliant transactions. Additionally, blockchain technology offers the potential for transparent and tamper-proof tracking of financial transactions, enabling real-time monitoring of compliance with Sharia principles. These innovations can significantly improve the accuracy, speed, and accountability of the audit process, allowing SSBs to take a more proactive approach to supervision. However, the adoption of such technologies also requires adequate investment in human capital, infrastructure, and regulatory support. Sharia auditors and board members must be equipped with the necessary skills to interpret data-driven insights and understand the technological tools at their disposal. Moreover, the development of standardized guidelines for Sharia audits—aligned with technological advancements—is crucial to ensure consistency and comparability across institutions. By reinforcing both the technical and institutional dimensions of Islamic supervision, Sharia Boards can enhance their effectiveness in safeguarding compliance and upholding public trust in Islamic finance.

Education and Training for Sharia Board Members

Continuous education and training for Sharia Supervisory Board (SSB) members are essential to ensure the quality and relevance of Sharia governance in Islamic financial institutions, particularly in the dynamic context of Indonesia's Islamic finance landscape. As the financial industry rapidly evolves, SSB members must be equipped not only with deep knowledge of classical Fiqh al-Muamalah but also with practical understanding of contemporary financial products, regulatory frameworks, and technological advancements. Regular training programs can help prevent the issuance of outdated or impractical fatwas and ensure that SSB decisions remain both Sharia-compliant and responsive to market realities. In the Indonesian context, the National Sharia Council of the Indonesian Ulema Council (DSN-MUI) plays a central role in issuing fatwas and guiding Sharia compliance at the national level. However, the decentralized structure of individual SSBs within Islamic financial institutions creates the need for harmonized and standardized education. Institutions such as the Financial Services Authority (OJK), DSN Institute, and Bank Indonesia can collaborate to develop accredited certification and continuous learning programs. These programs should not only include Islamic jurisprudence but also cover applied finance, risk management, and regulatory compliance specific to Indonesia's dual-banking system.

Moreover, the increasing integration of technology into financial services—such as Islamic fintech platforms, digital wallets, smart contracts, and blockchain-based sukuk—requires Sharia board members to be technologically literate. Training modules must therefore include topics such as financial technology, digital transformation in banking, and ethical evaluation of tech-driven financial instruments. Exposure to real case studies and simulations can also help SSB members better assess Sharia compliance risks in rapidly evolving environments. To further enhance the impact of training, soft skills development should be an integral part of the curriculum. Sharia board members must be able to communicate effectively with management, regulators, and stakeholders, and contribute meaningfully in multidisciplinary discussions. Skills such as critical thinking, negotiation, strategic foresight, and digital fluency are essential for navigating the complex decision-making processes within modern Islamic financial institutions. These competencies also enable SSB members to assert their roles beyond symbolic oversight and engage more actively in shaping ethical financial practices.



Ultimately, the investment in structured, ongoing education for Sharia board members is not merely a matter of compliance—it is a strategic necessity. A well-informed and professionally capable Sharia board enhances institutional credibility, reduces legal uncertainty, and builds public trust in Islamic finance. By institutionalizing training programs through collaboration between regulators, academic institutions, and industry associations, Indonesia can position itself as a regional leader in developing high-quality Sharia governance.

CONCLUSION

This study explores the pivotal role of the Sharia Supervisory Board (SSB) in ensuring compliance with Muamalah law within Islamic financial institutions. The findings indicate that the SSB functions not merely as a formal supervisory body but also as an ethical and legal safeguard that aligns institutional practices with the principles of Sharia. Through regular audits, advisory roles, and fatwa issuance, the SSB contributes significantly to the governance and legitimacy of Islamic financial institutions in the eyes of both regulators and stakeholders. However, the study also finds that the effectiveness of the SSB is influenced by several factors, including the professional competence of its members, institutional independence, the frequency of supervision, and the degree of integration with corporate decision-making processes. In some cases, limited authority or a symbolic presence can reduce the actual impact of the SSB in enforcing Sharia compliance.

The role of the Sharia Board in maintaining Islamic financial institutions' compliance with Islamic law is crucial, both in terms of operational supervision and in providing strategic direction. Sharia Boards serve not only as supervisors, but also as advisors in the development of financial products that comply with sharia principles. However, they are also faced with various challenges, such as differences in legal interpretations, technological advances, and global competitive pressures. Therefore, Sharia Boards need to strengthen collaboration among international sharia institutions, improve the sharia audit system, and enhance their capacity through continuous education and training.

This research is limited in several respects. First, it primarily adopts a qualitative and conceptual approach, relying on literature reviews and selected case examples without a comprehensive empirical analysis. Second, the study focuses on formal institutional structures and does not fully investigate informal dynamics, such as organizational culture or internal conflicts that may affect Sharia compliance. Third, the scope of the study is limited to a few institutions and may not reflect variations across different countries or financial systems.

Future research should incorporate empirical methodologies, such as interviews, surveys, or case studies, to gain deeper insights into the practical challenges faced by SSBs in different institutional contexts. Comparative studies between jurisdictions with varying regulatory frameworks could also help to identify best practices and structural weaknesses. Moreover, further investigation is needed to understand the interaction between the SSB and other governance bodies, particularly in addressing complex financial innovations and ethical dilemmas. Finally, expanding the scope of inquiry to include customer perceptions and the actual outcomes of SSB decisions on financial products would enrich the understanding of the SSB's societal impact.

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