

Regulatory Frameworks and Governance in Islamic Banking: A Bibliometric Review of Compliance Standards

Loso Judijanto¹, Dadin Solihin², Pardin Lasaksi³, Diah Fauziah⁴, Rita Nurnaningsih⁵

¹ IPOSS Jakarta, Indonesia

² STAI Pelita Nusa Bandung Barat

³ Universitas Muhammadiyah Luwuk

^{4,5} STAI Pelita Nusa

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ABSTRACT

Over the past few decades, the global discourse on environmental sustainability and climate change has catalyzed a profound transformation in economic paradigms, giving rise to the concept of the green economy. This paradigm emphasizes the integration of environmental considerations into economic activities to foster sustainable development and mitigate environmental degradation. In the context of Islamic banking, which operates under the principles of Sharia, there is a growing recognition of the importance of aligning financial practices with ethical and social values, including environmental stewardship. This bibliometric review explores the regulatory frameworks and governance structures in Islamic banking with a focus on compliance standards related to environmental sustainability. Through a systematic analysis of scholarly literature, this study aims to shed light on current trends, key areas of focus, and potential areas for improvement in ensuring environmental sustainability within Islamic banking operations.

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Corresponding Author:

Name: Loso Judijanto

Institution: IPOSS Jakarta, Indonesia

Email: losojudijantobumn@gmail.com

1. INTRODUCTION

Islamic banking has emerged as a dynamic and rapidly growing sector within the global financial landscape, presenting a unique blend of traditional Islamic principles and modern banking practices [1]. The roots of Islamic banking trace back to the teachings of Sharia, where the prohibition of interest (riba) and adherence to ethical and social principles are central tenets [2], [3]. In recent decades, the sector has experienced substantial expansion, necessitating robust regulatory frameworks to

ensure compliance with Sharia principles while maintaining competitiveness and stability [4], [5].

Despite the remarkable growth of Islamic banking, the regulatory frameworks governing this sector remain a subject of ongoing scrutiny and development [1]. The complex interplay between Sharia principles, regulatory requirements, and international banking standards presents a multifaceted landscape that requires continual assessment and refinement [6], [7]. Moreover, the

evolution of financial markets, emergence of new financial products, and increasing cross-border transactions underscore the importance of adaptive and comprehensive regulatory frameworks [8].

Amidst these dynamics, the need to evaluate the efficacy and adequacy of existing regulatory frameworks in Islamic banking becomes imperative. Identifying and addressing gaps or inconsistencies within these frameworks is essential to promote the stability, integrity, and growth of the Islamic banking industry. Therefore, this research aims to conduct a bibliometric review of compliance standards in Islamic banking regulatory frameworks, shedding light on current trends, key areas of focus, and potential areas for improvement.

The primary objective of this research is to analyze the existing literature on regulatory frameworks and governance in Islamic banking, employing bibliometric techniques to assess the scope, trends, and gaps in compliance standards. By synthesizing and analyzing a comprehensive body of literature, this study seeks to provide valuable insights into the evolution, effectiveness, and challenges of regulatory frameworks in Islamic banking. Through rigorous analysis and synthesis of scholarly works, this research endeavors to contribute to the ongoing discourse on enhancing regulatory frameworks and governance in Islamic banking, ultimately fostering greater stability, trust, and inclusivity within the global financial system.

2. LITERATURE REVIEW

Regulatory frameworks and governance in Islamic banking play a crucial role in ensuring compliance with Sharia principles and maintaining the credibility of the system. Various countries like Pakistan and Malaysia have developed Sharia governance frameworks (SGFs) to regulate Islamic financial institutions [1], [9]. These frameworks focus on integrating sustainability measures, enhancing ethical aspects, and aligning with international

standards set by organizations like AAOIFI and IFSB [10]. Implementing good governance practices, such as the application of Maqashid Sharia principles, can significantly improve bank performance, service quality, and overall company value in Islamic banking operations [11]. It is essential for Islamic banks to adhere to these frameworks to differentiate themselves from conventional financial services and uphold the values of Islamic finance [12].

3. METHODS

3.1 Literature Search Strategy

A systematic literature search will be conducted to identify relevant studies on regulatory frameworks and governance in Islamic banking. Key databases including but not limited to PubMed, Scopus, Web of Science, and Google Scholar will be searched using predefined search terms. The search strategy will incorporate keywords related to Islamic banking, regulatory frameworks, compliance standards, and governance. Boolean operators will be employed to refine search queries and ensure comprehensive coverage of relevant literature. Additionally, manual searches of reference lists and citation tracking will be performed to identify additional studies not captured through electronic searches.

3.2 Selection Criteria

Inclusion criteria will be defined to select studies relevant to the research topic. Peer-reviewed articles, conference papers, and scholarly books published in English from the past two decades will be considered. Studies focusing on regulatory frameworks, compliance standards, governance structures, and related aspects specific to Islamic banking will be included. Publications addressing other aspects of Islamic finance or unrelated to the research objectives will be excluded. Duplicate studies will be removed, and the eligibility of remaining studies will be assessed based on title, abstract, and full-text review.

3.3 Data Extraction

Data extraction will be performed systematically to capture relevant information from selected studies. A predefined data extraction form will be utilized to record key details such as author(s), publication year, research methodology, geographic focus, regulatory frameworks examined, and compliance standards assessed. Additionally, data related to citation counts, publication trends, and thematic analysis of regulatory frameworks will be extracted to facilitate bibliometric analysis.

3.4 Bibliometric Analysis

Table 1. Data Citation Metrics

Publication years	1994-2024
Citation years	30 (1994-2024)
Paper	980
Citations	50751
Cites/year	1691.70
Cites/paper	51.79
Cites/author	28923.40
Papers/author	537.44
Author/paper	2.32
h-index	111
g-index	191
hI,norm	81
hI,annual	2.70
hA-index	31
Papers with ACC	: 1,2,5,10,20:813,666,413,214,76

Source: Publish or Perish Output, 2024

Table 1 provides an overview of the citation metrics derived from the bibliometric analysis of publications related to regulatory frameworks and governance in Islamic banking spanning from 1994 to 2024. Over this period, a total of 980 papers were identified, accumulating a substantial number of citations amounting to 50,751. On average, each paper received approximately 51.79 citations, with an impressive yearly citation rate of 1,691.70. The data also reveals a high level of author productivity, with an average of 537.44 papers per author and 2.32 authors per paper. The h-index, a widely recognized measure of scholarly impact, stands at 111,

Bibliometric techniques will be employed to analyze the collected literature quantitatively and qualitatively. Citation analysis, co-citation analysis, and co-authorship analysis will be conducted to identify influential studies, key authors, and collaborative networks within the field. Bibliometric software such as VOSviewer will be utilized to visualize citation networks, co-authorship networks, and thematic clusters.

4. RESULTS AND DISCUSSION

4.1 Research Data Metrics

indicating that 111 papers in the dataset have each received at least 111 citations. Furthermore, the g-index, which considers both the number of papers and their respective citations, is calculated at 191, reflecting the breadth and depth of the scholarly contributions within the field. Notably, the hI,norm and hI,annual metrics provide insights into the longevity and sustainability of scholarly impact, with values of 81 and 2.70, respectively. Additionally, the hA-index, focusing on papers published in a specific set of core journals, is determined to be 31. Moreover, the table highlights the distribution of papers with different levels of

accumulated citations, indicating significant attention to seminal works within the literature, as evidenced by the papers with

accumulated citations of 1, 2, 5, 10, and 20, numbering 813, 666, 413, 214, and 76, respectively.

Table 2. Top Cited Research

Citations	Authors and year	Title
1667	[13]	Islamic banks and financial stability: An empirical analysis
1099	[14]	Thirty years of Islamic banking: History, performance and prospects
1080	[15]	Why do Malaysian customers patronise Islamic banks?
1072	[16]	Exploring the ethical identity of Islamic banks via communication in annual reports
787	[17]	Shari'ah supervision, corporate governance and performance: Conventional vs. Islamic banks
687	[18]	Determinants of corporate social responsibility disclosure: the case of Islamic banks
633	[19]	Handbook of Islamic banking
625	[20]	Lack of profit loss sharing in Islamic banking: management and control imbalances
622	[21]	Corporate governance from the Islamic perspective: A comparative analysis with OECD principles
601	[22]	Corporate social responsibility and financial performance in Islamic banks

Source: Publish or Perish Output, 2024

Table 2 presents the top-cited research articles in the field of regulatory frameworks and governance in Islamic banking, based on the number of citations received as of 2024. Topping the list is the study by Čihák and Hesse (2010), which investigates the relationship between Islamic banks and financial stability through empirical analysis, accumulating 1667 citations. Following closely is the work of Iqbal and Molyneux (2016), providing a comprehensive overview of thirty years of Islamic banking history, performance, and prospects, with 1099 citations. The third most cited paper, authored by Dusuki and Abdullah (2007), explores the factors influencing Malaysian customers' patronage of Islamic banks, garnering 1080 citations. Other notable contributions include studies

examining the ethical identity of Islamic banks (Haniffa & Hudaib, 2007), the impact of Sharia supervision on corporate governance and performance (Mollah & Zaman, 2015), and determinants of corporate social responsibility disclosure in Islamic banks (Farook et al., 2011). Additionally, foundational works such as the Handbook of Islamic banking by Hassan and Lewis (2009) and studies addressing corporate governance from an Islamic perspective (Abu-Tapanjeh, 2009) feature prominently in the list. These highly cited research articles underscore the significance and impact of scholarly contributions in shaping understanding and discourse on regulatory frameworks and governance within the Islamic banking industry.

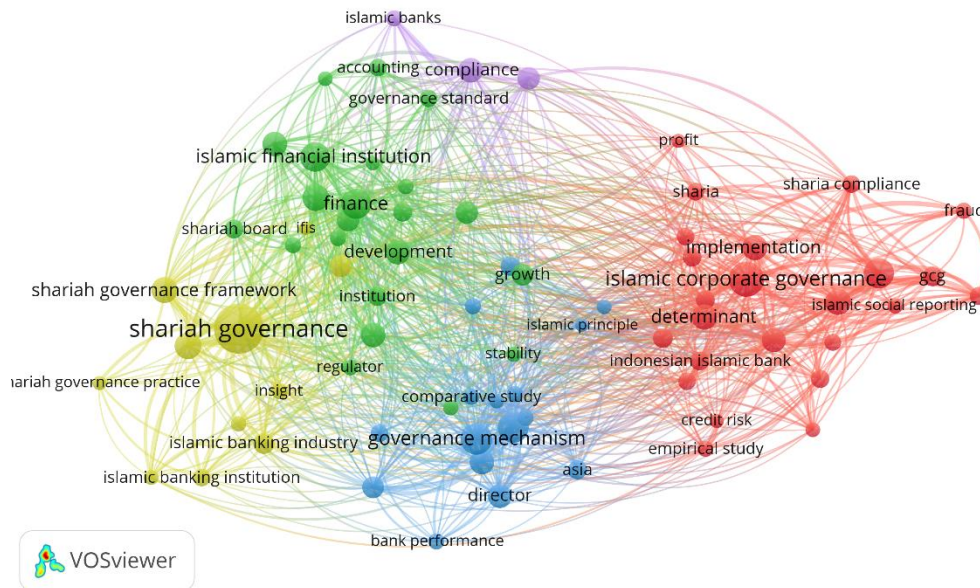


Figure 1. Network Visualization

Source: Data Analysis Result, 2024

The figure above is a network visualization from VOSviewer. This map often visualizes the relationships between

different concepts or terms based on co-occurrence in scholarly publication.

Table 3. Thematical Clusterization

Cluster	Central Theme	Key Terms	Interpretation
Green Cluster	Shariah Governance	Shariah governance, Shariah governance framework, Islamic financial institution, Islamic banking institution, Shariah board, governance practice, regulator	This cluster seems to focus on the governance frameworks, practices, and regulatory aspects within Islamic financial institutions, particularly relating to Shariah law compliance.
Red Cluster	Islamic Corporate Governance and Compliance	Islamic corporate governance, Sharia compliance, profit, fraud, Islamic social reporting, implementation	This cluster addresses issues related to corporate governance in Islamic finance, including compliance with Sharia law, profitability, and reporting practices. There is also an emphasis on the implementation of governance and the challenges like fraud.
Blue Cluster	Banking Performance and Empirical Studies	Bank performance, director, Asia, empirical study, credit risk, stability	Focusing on the performance metrics of banks, particularly in Asian contexts, this cluster deals with empirical studies on factors like credit risk and overall financial stability. The involvement of bank directors in ensuring performance is also highlighted.
Yellow Cluster	Development and Growth in Islamic Finance	Development, growth, finance, institution, insight, comparative study	This cluster likely focuses on the broader aspects of growth and development within the Islamic finance industry. It seems to include discussions on financial products and institutional development, providing insights into how Islamic finance is evolving and being studied comparatively with other financial systems.

Purple Cluster	Accounting and Compliance Standards	Accounting compliance, governance standard, Indonesian Islamic bank, Islamic principle	The purple cluster appears to center on the specifics of accounting and compliance within Islamic banking, particularly in Indonesia. It addresses how Islamic principles are integrated into banking practices and the standards governing these practices, highlighting the regional focus on Indonesia.
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Source: Data Analysis, 2024

The table outlines the thematic clusterization of key terms in Islamic finance, as visualized in a bibliometric network. The Green Cluster emphasizes Shariah Governance, focusing on the frameworks, practices, and regulations within Islamic financial institutions in relation to Shariah law compliance. The Red Cluster pertains to Islamic Corporate Governance and Compliance, discussing corporate governance issues including Sharia law compliance, profitability, and the challenges of implementation and fraud. The Blue Cluster addresses Banking Performance and Empirical Studies, concentrating on bank performance metrics, particularly in Asia,

with studies on credit risk and stability. The Yellow Cluster explores the Development and Growth in Islamic Finance, highlighting discussions on financial product development and institutional growth, and how these areas are evolving and being comparatively analyzed. Lastly, the Purple Cluster deals with Accounting and Compliance Standards, specifically focusing on how Islamic principles are incorporated into accounting practices, with a regional focus on Indonesia. Each cluster provides insights into distinct yet interconnected areas of Islamic finance research, reflecting both theoretical and practical dimensions of the field.

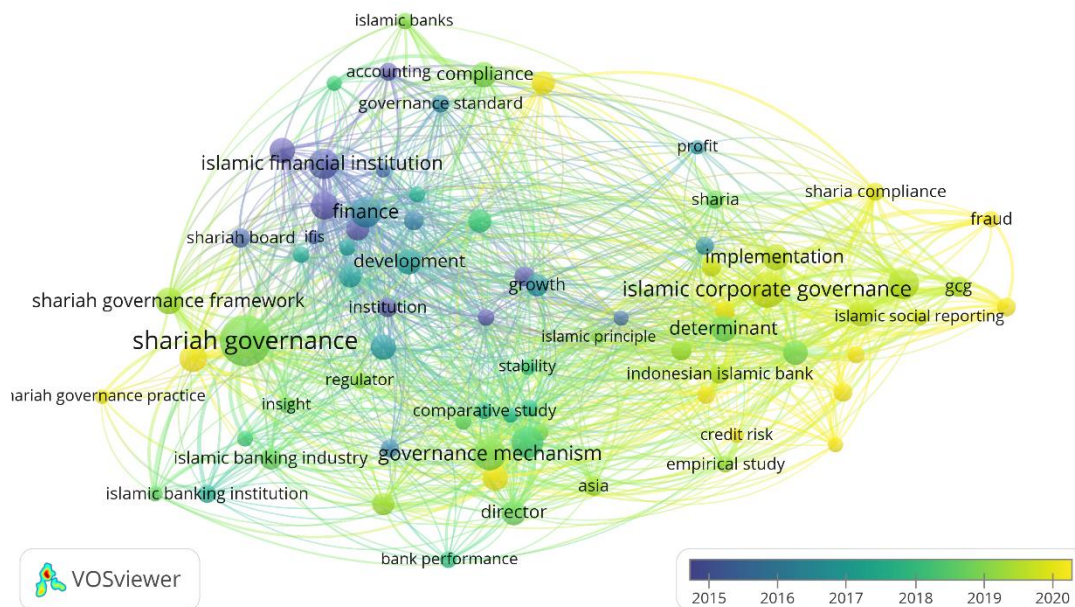


Figure 2. Overlay Visualization
 Source: Data Analysis Result, 2024

The second figure is another network visualization from VOSviewer with a temporal component, depicted by the color

gradient from 2015 to 2020. This gradient helps identify the evolution and trends in

research focus over the years within the field of Islamic finance.

The research initially seems to have focused more on foundational aspects of Islamic finance such as basic governance, regulatory frameworks, and the establishment of Islamic financial institutions. The emphasis on "Shariah governance," "Islamic banking institution," and "regulator" suggests that earlier studies were setting the groundwork by exploring the essential principles and regulatory environments.

As time progresses to around 2017, the focus appears to shift towards understanding and discussing the growth and development within the industry, as well as deeper insights into financial products and banking performance. Terms like "growth," "development," "finance," and "bank performance" become prominent, indicating a trend towards analyzing how these institutions were expanding and performing in real-world scenarios.

By 2020, the research topics trend towards more specific and sophisticated areas such as Islamic corporate governance, social reporting, and the practical outcomes of governance like fraud detection and management. The prominence of "Islamic corporate governance," "Islamic social reporting," and "fraud" in the latest period highlights a matured research focus on the implications of governance practices and the operational challenges within the sector.

The overall trend depicted by this visualization indicates a movement from foundational regulatory and governance issues in the early years towards a focus on growth, performance, and more complex governance-related outcomes towards the end of the timeline. This suggests that the field has been evolving from basic structures to more detailed and application-oriented research, reflecting the industry's growth and the increasing complexity of issues it faces.

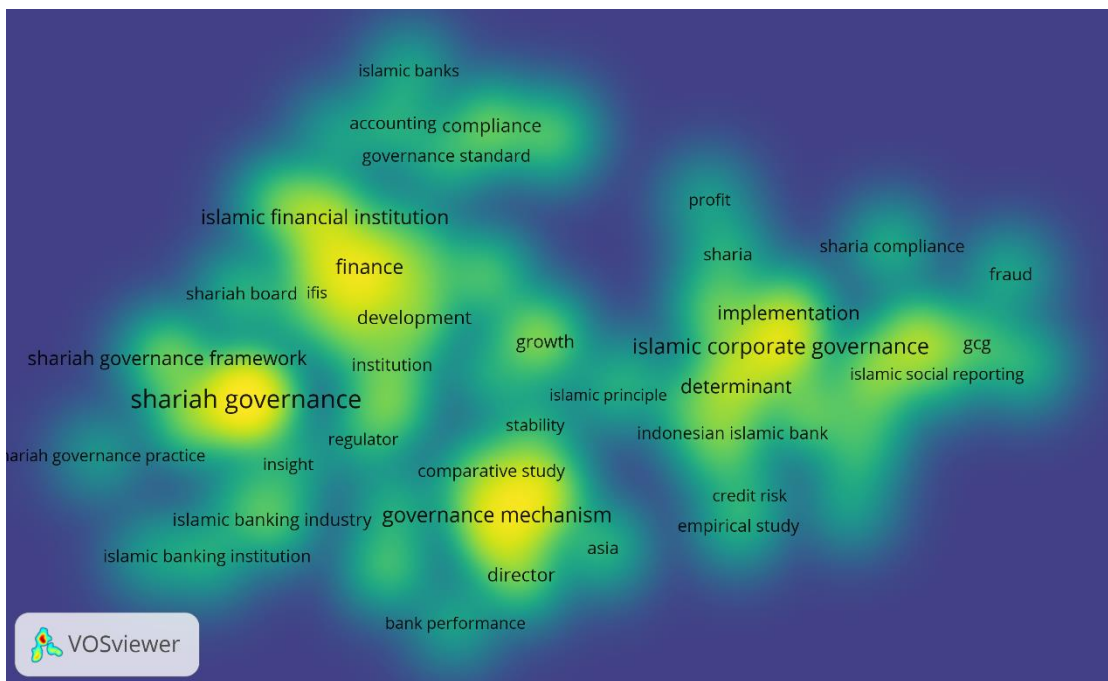


Figure 3. Density Visualization

Source: Data Analysis, 2024

The third figure shows a VOSviewer visualization, where the brightness of the terms could represent the frequency or emphasis of those terms in the literature. Less

bright areas may indicate topics that are less explored or emerging within the field of Islamic finance. These areas might be ripe for further research and exploration. Several

potential emerging topics can be identified as follow:

1. Islamic social reporting, although mentioned, this term appears less bright compared to central themes like "Shariah governance" or "Islamic corporate governance." This suggests that while it has been recognized, there is still substantial room for deeper exploration, particularly in how Islamic social responsibilities are reported and managed within financial institutions. Given the increasing global focus on corporate social responsibility, exploring how these concepts are implemented and reported in the context of Islamic finance could provide valuable insights into the integration of religious principles with modern business practices.
2. Credit risk and empirical studies, the terms "credit risk" and "empirical study" also appear less prominently. This suggests a potential gap in the research regarding detailed empirical analyses of risk factors specific to Islamic banking, which could be a

vital area for future studies focusing on the specifics of risk management in these institutions. With financial stability being a major concern for all types of banking systems, detailed studies into how Islamic banks manage credit risk could offer unique insights into risk mitigation strategies that align with Shariah principles.

3. Comparative studies, the notion of "comparative study" is another less bright term. This indicates a possible need for more comparative research between Islamic and conventional banking systems, or among Islamic banking practices across different regions. Such studies could illuminate unique advantages or challenges within Islamic finance when compared to conventional systems. Such research could help identify best practices, regulatory impacts, and the economic benefits or drawbacks of Islamic finance models, contributing to policy development and strategic planning for financial institutions.

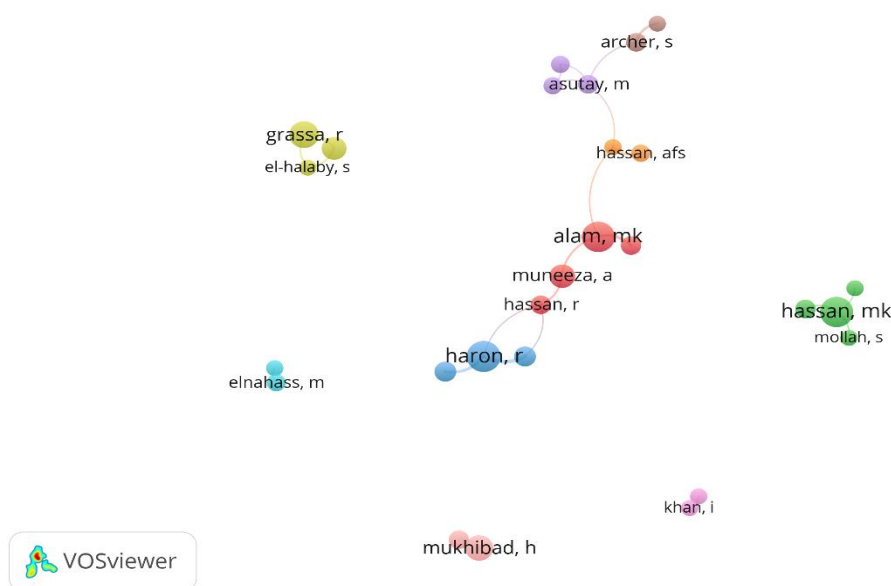


Figure 4. Author Collaboration Visualization

Source: Data Analysis, 2024

In this type of network, nodes represent authors, and the links between them signify collaborations, often based on co-authorship of scholarly papers. The different colors of the nodes usually indicate different clusters or groups of authors who tend to collaborate more frequently with each other.

The size of each node (author's name) often corresponds to the number of publications or the degree of connectivity the author has within the network. Larger nodes suggest authors with more collaborations or more significant influence within this academic community.

1. **Red Cluster:** Centered around "alam_mk," this group likely represents a tightly knit collaboration network focusing on specific aspects or themes within Islamic finance. This cluster also includes "hassan_afs" and "muneza_a," indicating a strong collaborative effort possibly within a specific institution or on specific projects.
2. **Blue Cluster:** Including "haron_r," "mukhibad_h," and "elnahass_m," this cluster could be exploring different themes or may represent another institutional group. The proximity of the nodes suggests frequent collaboration among these authors.
3. **Green Cluster:** Featuring "hassan_mk" and "mollah_s," this might indicate a duo or a small group focusing on another unique aspect of Islamic finance, possibly in a different geographic or research context compared to the red and blue clusters.
4. **Isolated Nodes:** Authors like "grassa_r" and "khan_i" appear more isolated with fewer connections, suggesting either emerging researchers in this field or experts who collaborate less

frequently.

The overall network layout shows how authors are interconnected through their collaborative research efforts. The density of links in certain areas (like the red cluster) indicates strong collaborative relationships, likely due to shared interests or joint projects. Isolated nodes or those with fewer connections could be newer entrants to the field or may specialize in niche areas within Islamic finance that do not overlap significantly with the interests of more connected authors.

5. CONCLUSION

The analysis of the VOSviewer visualizations across four distinct areas provides a comprehensive overview of the current landscape and future directions in Islamic finance research. Initially, the thematic clusterization highlighted key areas such as Shariah Governance, Islamic Corporate Governance and Compliance, and Banking Performance, indicating a broad and multifaceted research focus within the field. The subsequent investigation into research trends over the years revealed an evolution from foundational governance topics towards more complex issues such as compliance and performance management, showing a maturation in the academic pursuit. Looking ahead, potential future research topics identified through less prominent terms suggest emerging areas of interest like Islamic Social Reporting and Credit Risk, which offer new avenues for exploration and could address gaps in the current literature. Lastly, the author collaboration network analysis unveiled the structure of scholarly communities, identifying key researchers and their interconnections, which reflects a robust, albeit varied, landscape of collaboration that could further enrich the field through shared knowledge and joint endeavors. Together, these insights form a holistic view of Islamic finance research, underlining both its current state and potential growth trajectories.

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