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SHARI'AH GOVERNANCE AND RISK MANAGEMENT FRAMEWORKS IN ISLAMIC BANKING: BALANCING COMPLIANCE, FINANCIAL STABILITY AND SDGS IN SAUDI ARABIA AND NIGERIA

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ABSTRACT

This study examines how Shari'ah governance (SG) and risk management (RM) frameworks interact to balance compliance with Islamic legal principles and the pursuit of financial stability in Islamic banks across two contrasting jurisdictions—Saudi Arabia and Nigeria. Adopting a qualitative research design grounded in critical content analysis (CCA), the study systematically analyzed a wide range of documents, including regulatory and institutional frameworks such as guidelines and standards issued by the Saudi Central Bank (SAMA), Central Bank of Nigeria (CBN), Islamic Financial Services Board (IFSB), and Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). Institutional documents of Islamic banks—annual reports, Shari'ah audit reports, risk management disclosures, and corporate governance statements—were examined alongside peer-reviewed journal articles, conference proceedings, dissertations, and books on Shari'ah governance and financial stability. Publications from multilateral organizations such as the Islamic Development Bank (IsDB), International Monetary Fund (IMF), and World Bank were also incorporated to enhance methodological credibility and triangulate findings. The analysis maps governance architectures, SSB roles, internal Shari'ah compliance, and enterprise risk management against key risk categories (credit, market, liquidity, operational, and Shari'ah non-compliance risk) to evaluate how these mechanisms operationalize maqāṣid al-Sharī'ah without undermining prudential soundness. The findings highlight stronger institutional integration and supervisory maturity in Saudi Arabia, contrasted with emerging regulatory capacity in Nigeria. The study contributes a comparative framework and actionable policy recommendations that strengthen Shari'ah compliance, institutional resilience, and financial inclusion aligned with SDGs 8, 9, 16, and 17. Unlike previous studies that examined Shari'ah governance or risk management in isolation, this study uniquely bridges both frameworks through a comparative evaluation of Saudi Arabia and Nigeria, linking compliance and financial stability imperatives with the pursuit of Sustainable Development Goals.

KEYWORDS: Shari'ah Governance, Risk Management, Islamic Banking, Financial Stability, Compliance, Sustainable Development Goals (SDGs).

1. INTRODUCTION

The Islamic banking industry has grown remarkably over the past four decades, positioning itself as a viable alternative to conventional finance through its adherence to Shari'ah principles, particularly the prohibition of interest (*riba*), excessive uncertainty (*gharar*), and gambling (*maysir*). Central to its sustainability is the dual requirement of maintaining Shari'ah compliance while ensuring financial stability in an increasingly complex and volatile global financial environment. To achieve this balance, effective Shari'ah governance (SG) and risk management (RM) frameworks have become indispensable.

Shari'ah governance provides the institutional and procedural mechanisms through which Islamic banks ensure conformity with Islamic legal and ethical standards. It involves the roles of Shari'ah Supervisory Boards (SSBs), internal Shari'ah compliance units, and external regulatory bodies in certifying, auditing, and monitoring financial products and operations (Amuda, & Hassan, 2023). Risk management, on the other hand, encompasses the identification, assessment, and mitigation of financial, operational, market, and Shari'ah non-compliance risks that could undermine banks' resilience. The integration of SG and RM is thus crucial, as weak governance can expose Islamic banks to reputational and compliance risks, while inadequate risk frameworks may impair stability and investor confidence.

In Saudi Arabia, where Islamic finance is deeply entrenched and supported by robust regulatory frameworks aligned with the Saudi Vision 2030, the institutionalization of Shari'ah governance and advanced risk management practices has reached a relatively mature stage. Conversely, in Nigeria, the Islamic banking sector is emerging within a predominantly conventional system, guided by evolving regulatory frameworks under the Central Bank of Nigeria. This divergence offers a unique opportunity for comparative analysis, highlighting the strengths, gaps, and context-specific challenges in both jurisdictions.

Shari'ah governance and risk management are central pillars of Islamic banking, ensuring that financial institutions operate in compliance with Islamic principles while safeguarding stability and resilience. These frameworks not only enhance trust and accountability within financial systems but also align with the Sustainable Development Goals (SDGs) by fostering ethical compliance, financial stability, and inclusive growth. Specifically, they contribute to SDG 8 by promoting sustainable

economic growth and employment through real-economy financing, to SDG 9 by supporting innovation and infrastructure via asset-backed and socially responsible investments, to SDG 16 by strengthening institutions through transparency and accountability, and to SDG 17 by encouraging global partnerships through harmonized standards and cross-border collaboration. In the contexts of Saudi Arabia and Nigeria, where Islamic banking is both a driver of financial sector diversification and a tool for inclusion, effective.

Shari'ah governance and risk management frameworks are critical for balancing compliance with developmental goals, positioning the sector as a catalyst for sustainable development. This study explores how Shari'ah governance and risk management frameworks intersect to safeguard Shari'ah compliance while enhancing financial stability in Saudi Arabia and Nigeria. It examines the institutional mechanisms, regulatory practices, and operational realities of Islamic banks in both countries. By drawing on a comparative perspective, the research aims to identify best practices, highlight implementation challenges, and propose recommendations for strengthening Shari'ah-compliant risk management that supports sustainable growth in diverse financial environments.

Existing studies on Shari'ah Governance (SG) and Risk Management (RM) in Islamic banking have largely focused on compliance mechanisms, board structures, and internal controls aimed at ensuring adherence to Shari'ah principles (Hasan, 2014; Rahman & Kassim, 2017; Ali, 2020). However, these studies often treat SG and RM as parallel frameworks rather than as an integrated system that can simultaneously drive financial stability and sustainable development outcomes. In addition, comparative cross-national analyses between Saudi Arabia and Nigeria remain scarce, despite both representing distinct regulatory and institutional environments—one operating under a fully Islamized legal-financial system and the other within a dual system influenced by conventional regulatory models.

This study fills these gaps by developing a comparative integrative framework that examines how Shari'ah governance structures and risk management mechanisms can be harmonized to promote not only compliance and financial stability but also alignment with the Sustainable Development Goals (SDGs). By juxtaposing the Saudi and Nigerian contexts, the research provides new insights into how differing institutional, regulatory, and cultural conditions affect the

operationalization of SG–RM linkages. Thus, the study contributes an original model that situates Shari'ah governance and risk management within the broader paradigm of ethical finance and sustainable development – an area underexplored in prior literature.

2. LITERATURE REVIEW

2.1. *Concept of Shari'ah Governance in Islamic Banking*

Shari'ah governance (SG) is the cornerstone of Islamic financial institutions (IFIs), ensuring that operations, products, and services align with Islamic law. According to Chapra and Khan (2000), SG entails a set of institutional and organizational structures that safeguard conformity with Shari'ah rulings. The Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI, 2017) defines SG as a system encompassing Shari'ah Supervisory Boards (SSBs), internal Shari'ah compliance departments, and audit mechanisms.

The effectiveness of SG depends on the independence, expertise, and authority of SSBs, which act as ethical gatekeepers (Grassa, 2015). Empirical studies show that well-structured SG improves investor confidence and minimizes reputational risks (Mollah & Zaman, 2015). In Saudi Arabia, Shari'ah governance is deeply institutionalized, with banks operating under the close oversight of the Saudi Central Bank (SAMA) and guided by Shari'ah boards with national-level harmonization. In contrast, in Nigeria, SG structures are still developing, with the Central Bank of Nigeria (CBN) providing guidelines for non-interest financial institutions but facing challenges of expertise shortage and limited regulatory harmonization (Oseni & Ali, 2019).

Shari'ah governance (SG) is a fundamental framework within Islamic banking that ensures all financial transactions, products, and services comply with Islamic law (Shari'ah). Unlike conventional corporate governance, which primarily focuses on accountability to shareholders, SG emphasizes adherence to religious principles, ethical responsibility, and the attainment of *maqāṣid al-Sharī'ah* (the objectives of Islamic law) (Chapra & Khan, 2000). It is structured around institutional mechanisms such as Shari'ah Supervisory Boards (SSBs), internal Shari'ah compliance units, and external audits that collectively safeguard conformity with Islamic principles in banking operations (AAOIFI, 2017). This unique governance dimension distinguishes Islamic banks from their conventional counterparts, making SG both a

compliance requirement and a reputational necessity.

The effectiveness of SG largely depends on the independence, expertise, and authority of Shari'ah Supervisory Boards. Grassa (2015) highlights that SSBs act as “ethical guardians,” responsible for certifying products, monitoring operations, and issuing fatwas to ensure compliance. Empirical studies demonstrate that strong SG practices enhance investor confidence, minimize reputational risks, and contribute to better financial performance (Mollah & Zaman, 2015). In countries like Saudi Arabia, Shari'ah governance is highly institutionalized, with the Saudi Central Bank (SAMA) enforcing comprehensive guidelines that mandate SSBs in all Islamic financial institutions. Conversely, in Nigeria, while the Central Bank of Nigeria (CBN) has issued frameworks for non-interest banks, the sector still faces challenges such as limited Shari'ah expertise and insufficient harmonization of governance structures (Oseni & Ali, 2019).

Moreover, SG is increasingly recognized as integral to risk management within Islamic banking. Weak governance exposes banks to Shari'ah non-compliance risk (SNCR), which can result in financial losses, contract invalidation, and reputational damage (Abdullah, 2017). Studies argue that robust SG frameworks mitigate such risks by embedding Shari'ah compliance checks within enterprise-wide risk management systems (Hasan, 2014). Thus, the concept of Shari'ah governance extends beyond religious conformity to encompass institutional resilience, stakeholder trust, and financial stability. In this regard, SG plays a dual role: it secures the ethical foundations of Islamic banking while simultaneously strengthening its operational soundness and market credibility.

2.2. *Risk Management in Islamic Banking*

Risk management (RM) in Islamic banking is broader than in conventional finance because it incorporates both financial and Shari'ah-related risks. Iqbal and Mirakhor (2011) argue that RM in Islamic banks must account for credit risk, market risk, operational risk, liquidity risk, displaced commercial risk, and Shari'ah non-compliance risk. The Islamic Financial Services Board (IFSB, 2012) recommends an enterprise-wide risk framework that integrates Shari'ah compliance within traditional prudential risk categories. Saudi Arabian banks have adopted advanced RM techniques, including stress testing and Value-at-Risk (VaR), aligned with Basel III standards while integrating Shari'ah audit into product approval and risk assessment processes (Al-

Saati, 2018). Nigerian Islamic banks, by contrast, face implementation challenges due to limited market depth, insufficient risk modeling expertise, and the absence of Islamic capital market instruments to manage liquidity risks effectively (Sanusi, 2020; Hassan, Dhali, Mehar & Zaman, 2022).

Risk management (RM) in Islamic banking is a multidimensional process that integrates both conventional financial risks and unique risks associated with Shari'ah compliance. According to Iqbal and Mirakhor (2011), Islamic banks face typical risks such as credit, liquidity, market, and operational risks, but also encounter displaced commercial risk and Shari'ah non-compliance risk. The prohibition of interest (riba) and reliance on profit-and-loss sharing contracts such as *mudarabah* and *musharakah* create distinctive exposures, as returns are linked to underlying asset performance rather than fixed interest payments (Khan & Ahmed, 2001). Consequently, Islamic banks must adopt risk management approaches that simultaneously preserve financial stability and ensure compliance with Islamic principles. The literature emphasizes that strong risk management frameworks are crucial for sustaining resilience in Islamic banks (Amuda, 2019). The Islamic Financial Services Board (IFSB, 2012) recommends enterprise-wide RM practices aligned with Basel III, but tailored to address the specificities of Islamic finance. For example, liquidity risk management in Islamic banks is complicated by the scarcity of Shari'ah-compliant instruments, which limits their ability to engage in conventional interbank markets (Errico & Farahbaksh, 1998). Saudi Arabia has made significant progress by developing Islamic money market instruments and supporting the issuance of *sukuk*, enabling Islamic banks to better manage liquidity and market risks (Al-Saati, 2018). In contrast, Nigerian Islamic banks face challenges of shallow financial markets and limited hedging tools, which restrict their capacity to diversify risks (Hassan, Amuda & Parveen, 2017; Sanusi, 2020; Ali, Asif, Nazir, Rehman Irshad, Ullah & Ahmad, 2023).

Moreover, RM in Islamic banking extends to the prevention of Shari'ah non-compliance risk, which can undermine both financial performance and institutional credibility. Abdullah (2017) argues that non-compliance not only invalidates contracts but also exposes banks to reputational damage and loss of investor trust. Integrating Shari'ah governance structures into RM frameworks ensures that risk identification and mitigation strategies are consistent with Islamic law (Hasan, 2014). For instance, involving Shari'ah Supervisory Boards in product

design and approval strengthens compliance while reducing operational risk. Thus, effective RM in Islamic banking requires a holistic framework that addresses financial, operational, and compliance dimensions, aligning stability with the ethical foundations of Islamic finance.

2.3. Shari'ah Compliance and Its Intersection with Risk Management

Shari'ah compliance is both a regulatory requirement and a reputational necessity for Islamic banks. Non-compliance exposes banks to Shari'ah non-compliance risk (SNCR), which can lead to financial losses, invalidation of contracts, and reputational damage (Abdullah, 2017). SG frameworks mitigate this risk by ensuring that new products undergo Shari'ah screening and that continuous monitoring occurs through internal and external Shari'ah audits. Studies demonstrate that effective SG enhances RM by reducing SNCR and integrating compliance into operational controls (Hasan, 2014). For example, Saudi banks often involve SSBs in early stages of product structuring, embedding compliance into risk modeling. In Nigeria, however, gaps in Shari'ah expertise and resource limitations often delay approval processes, raising the likelihood of compliance lapses (Oseni & Ali, 2019). Shari'ah compliance is the defining feature of Islamic banking, ensuring that financial products and services conform to Islamic principles such as the prohibition of *riba* (interest), *gharar* (excessive uncertainty), and *maysir* (gambling). Beyond product structuring, Shari'ah compliance extends to the operational, contractual, and governance aspects of Islamic banks, making it both a legal and reputational necessity (El-Hawary, Grais, & Iqbal, 2007). Non-compliance can invalidate contracts, expose banks to financial losses, and damage stakeholder confidence (Abdullah, 2017). Consequently, risk management in Islamic banking must integrate mechanisms that not only identify financial risks but also mitigate Shari'ah non-compliance risk (SNCR), which is unique to Islamic financial institutions (Noreen, Attayah, Zaheer & Muhammad, 2023).

The intersection between Shari'ah compliance and risk management is evident in how governance structures are embedded into enterprise-wide risk frameworks. Hasan (2014) emphasizes that Shari'ah Supervisory Boards (SSBs) serve as critical control mechanisms by overseeing product approval, reviewing contracts, and ensuring continuous monitoring. Their involvement reduces operational risks linked to misinterpretation of Shari'ah rulings

and provides assurance to stakeholders. Empirical evidence shows that banks with strong Shari'ah governance structures experience lower incidences of SNCR and higher investor confidence (Mollah & Zaman, 2015). In Saudi Arabia, SSBs play an integral role in risk management by working closely with compliance and audit departments, while in Nigeria, emerging institutions still grapple with expertise shortages and implementation gaps (Oseni & Ali, 2019).

Moreover, the integration of Shari'ah compliance into risk management frameworks contributes directly to financial stability. By ensuring that products and transactions are ethically sound, banks reduce the risk of reputational crises and regulatory penalties, both of which can destabilize operations. Abdullah (2017) argues that SNCR should be treated on par with financial risks such as credit or liquidity risk, as its consequences extend beyond legal invalidation to systemic trust erosion. This holistic approach reflects a shift from viewing Shari'ah compliance as a standalone requirement to embedding it within the broader risk culture of Islamic banks. In this way, the intersection of Shari'ah compliance and risk management reinforces both the ethical mandate and the prudential soundness of Islamic banking systems.

2.4. Financial Stability in Islamic Banking

Financial stability refers to the resilience of banks in absorbing shocks while maintaining the integrity of financial intermediation. For Islamic banks, stability is influenced by their asset-backed, risk-sharing nature but can be challenged by limited diversification and exposure to rate-of-return risks (Čihák & Hesse, 2010). Strong SG and RM frameworks are positively correlated with stability, as they reduce uncertainty and improve market confidence (Beck, Demirgüç-Kunt & Merrouche, 2013). In Saudi Arabia, financial stability is supported by a robust regulatory environment, strong liquidity support, and integration with global Islamic finance markets. By contrast, Nigeria's Islamic banks operate within a nascent system where institutional capacity gaps and infrastructural limitations pose stability risks (Aliyu, Hassan & Mohd Yusof, 2017). Comparative studies show that countries with strong SG structures experience fewer instances of financial distress in Islamic banks (Mollah & Zaman, 2015).

Financial stability refers to the resilience of financial institutions and systems in withstanding shocks while maintaining their core functions of intermediation and payment services. In the context of Islamic banking, stability is shaped by the unique

principles of asset-backing, risk-sharing, and the prohibition of speculative activities (gharar and maysir). Čihák and Hesse (2010) found that small Islamic banks tend to be more financially stable than small conventional banks due to their reliance on real economic activities and lower leverage. However, large Islamic banks may face greater vulnerabilities because of limited diversification and exposure to profit-rate risks. These findings underscore the importance of designing governance and risk management frameworks that reinforce stability while accommodating Shari'ah principles.

The literature highlights both strengths and challenges of Islamic banking in fostering financial stability. On one hand, asset-backing and equity-based contracts such as *mudarabah* and *musharakah* align financial intermediation with productive activities, reducing systemic risks associated with speculative bubbles (Beck, Demirgüç-Kunt, & Merrouche, 2013). On the other hand, Islamic banks often face liquidity management constraints due to the limited availability of Shari'ah-compliant instruments (Hasan & Dridi, 2011). Countries like Saudi Arabia have mitigated this challenge by developing Islamic money market instruments and *sukuk* markets, which enhance resilience during stress periods (Al-Saati, 2018). In Nigeria, however, the Islamic banking sector remains nascent, with liquidity shortages and infrastructural gaps posing significant risks to long-term stability (Aliyu, Hassan, & Mohd Yusof, 2017).

Financial stability in Islamic banking is also closely tied to effective Shari'ah governance and risk management. Poor compliance or weak governance can trigger reputational crises that erode trust and destabilize the sector (Mollah & Zaman, 2015). Integrating Shari'ah Supervisory Boards (SSBs) within enterprise-wide risk frameworks enhances oversight, thereby reducing both Shari'ah non-compliance risk and financial instability (Hasan, 2014). This interplay between governance, compliance, and risk management highlights that financial stability in Islamic banking is not merely a regulatory goal but also an ethical mandate that sustains confidence among stakeholders. Thus, robust institutional frameworks, supported by regulatory innovation and market infrastructure, are essential for ensuring long-term resilience of Islamic banks.

2.5. Balancing Compliance and Stability: The Integrated Perspective

The interplay between SG, RM, Shari'ah compliance, and financial stability highlights the need for an integrated framework. Effective SG strengthens compliance mechanisms, while robust

RM ensures that risks are systematically addressed, thereby fostering stability (Ahmed, 2011). In Saudi Arabia, integration is facilitated by well-developed regulatory frameworks and harmonized Shari'ah oversight. Nigeria, on the other hand, presents a case where regulatory progress is evident but practical implementation requires capacity building, talent development, and improved infrastructure. This comparative lens underscores that balancing Shari'ah compliance with financial stability requires context-sensitive strategies: in developed Islamic finance markets like Saudi Arabia, emphasis lies in enhancing sophistication, while in emerging markets like Nigeria, the priority is institutional strengthening and regulatory clarity.

The challenge of balancing Shari'ah compliance and financial stability lies at the heart of Islamic banking. On one hand, Shari'ah compliance is non-negotiable, as it defines the legitimacy and distinctiveness of Islamic financial institutions. On the other hand, financial stability is essential to sustain operations, build investor trust, and maintain systemic resilience. Ahmed (2011) argues that Shari'ah governance and risk management should not be viewed as parallel systems but as interdependent mechanisms that together preserve both ethical conformity and prudential soundness. Effective integration ensures that Islamic banks avoid the trade-off between strict adherence to Shari'ah and maintaining competitiveness in global financial markets.

Empirical studies have demonstrated that robust Shari'ah governance frameworks strengthen risk management practices, which in turn enhance stability. For instance, Mollah and Zaman (2015) found that banks with well-structured Shari'ah Supervisory Boards exhibited higher financial performance and lower incidences of non-compliance risk. This outcome reflects the reinforcing relationship between compliance and stability: strong governance reduces reputational and operational risks, while effective risk management embeds Shari'ah requirements into enterprise-wide systems. In Saudi Arabia, where regulatory institutions and market depth support integration, Shari'ah governance and financial stability are mutually reinforcing (Al-Saati, 2018). In Nigeria, however, capacity constraints and underdeveloped financial infrastructure create implementation challenges, making the balance between compliance and stability more fragile (Aliyu, Hassan, & Mohd Yusof, 2017).

The integrated perspective also highlights that balancing compliance and stability is not merely an

institutional concern but a systemic necessity. Weak Shari'ah compliance can undermine financial stability through reputational crises and contract invalidation, while poor risk management can expose institutions to market volatility and liquidity shortfalls (Abdullah, 2017). Conversely, embedding Shari'ah principles within risk management frameworks fosters a culture of prudence, transparency, and stakeholder trust. Thus, an integrated approach where Shari'ah governance is seamlessly linked with risk management offers Islamic banks a pathway to achieving sustainable financial stability without compromising their ethical mandate (Hasan, 2014).

Shari'ah governance through standards such as IFSB's Core Principles and AAOIFI's revised Governance Standards directly advances SDG 16 (Peace, justice and strong institutions) by embedding transparent oversight, clear roles for Shari'ah boards and compliance/audit functions, and robust disclosure across Islamic banks (IFSB, 2015; AAOIFI, 2024). In Saudi Arabia, SAMA's Shariah Governance Framework codifies responsibilities of boards, management, Shari'ah committees, risk, compliance, and internal audit, strengthening institutional accountability and control environments; similar requirements are embedded in Nigeria via CBN's 2023 Corporate Governance Guidelines for banks, including non-interest windows (SAMA, n.d.; CBN, 2023). These measures reduce conduct and compliance risk, mitigate fiduciary and displaced-commercial-risk exposures unique to Islamic banking, and enhance financial stability an essential enabler of SDG 8 (Decent work and economic growth) (IFSB, 2015).

Well-designed Shari'ah and risk frameworks also mobilize finance for inclusive, real-economy outcomes aligned with SDGs 1, 8, 9, 10 and 12 (e.g., SME financing, affordable housing, and green infrastructure because standardized screening, risk assessment, and transparent reporting improve investor confidence and channel funds to asset-backed, socially beneficial projects (OECD, 2020; World Bank, 2017). Recent market practice in Saudi Arabia, such as sustainable sukuk issuances by major Islamic banks under sustainability frameworks, illustrates how sound governance plus risk management unlocks SDG-linked capital at scale while maintaining prudential soundness (Reuters, 2024). National policy platforms (e.g., Saudi Vision 2030's Financial Sector Development Program) further reinforce this alignment by prioritizing deep, well-regulated markets and risk-aware innovation, supporting SDG 9 (Industry, innovation and

infrastructure) (Vision 2030/FSDP, 2021).

Finally, multi-stakeholder standard-setting (AAOIFI, IFSB) and country-level rulebooks (SAMA, CBN) create interoperability that facilitates cross-border investment, impact measurement, and thematic products (green/SDG sukuk), advancing SDG 17 (Partnerships) (AAOIFI, 2024; IFSB, 2015; UNDP-IsDB, 2024). In Nigeria, the CBN's consolidation of Shari'ah governance within wider corporate-governance rules helps mainstream non-interest finance and reduce regulatory arbitrage, while in Saudi Arabia, enhanced PSIA-related disclosures and Shari'ah governance expectations improve market discipline together buttressing resilience and trust that are preconditions for SDG progress (CBN, 2023; Fitch Ratings, 2024; SAMA, n.d.).

3. METHODOLOGY

This study adopts a qualitative research design using critical content analysis (CCA) as the primary methodological approach. Critical content analysis goes beyond descriptive review by systematically interrogating texts, documents, and regulatory frameworks to uncover not only explicit content but also implicit assumptions, power relations, and contextual meanings. It is particularly suited to research in Islamic banking where governance, compliance, and risk management intersect with legal, ethical, and institutional dimensions.

The study relies exclusively on secondary sources of data, drawn from regulatory frameworks and standards as guidelines and frameworks issued by the Saudi Central Bank (SAMA), the Central Bank of Nigeria (CBN), the Islamic Financial Services Board (IFSB), and the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). Institutional Documents: Annual reports, Shari'ah audit reports, risk management disclosures, and corporate governance statements of selected Islamic banks in Saudi Arabia and Nigeria. Peer-reviewed journal articles, conference proceedings, dissertations, and books on Shari'ah governance, risk management, and financial stability in Islamic banking. Publications from multilateral institutions such as the Islamic Development Bank (IsDB), International Monetary Fund (IMF), and World Bank. A purposive sampling strategy was employed to select documents most relevant to the central climax of the study. Criteria included: Coverage of Shari'ah governance and risk management issues; Explicit reference to either Saudi Arabia or Nigeria; Relevance to financial stability outcomes; Credibility and authenticity of the source. All documents were

systematically gathered, classified, and catalogued by theme (SG, RM, Shari'ah compliance, financial stability). Using a thematic coding framework, text segments were coded into categories such as governance structure, Shari'ah supervisory role, risk types, compliance processes, and stability mechanisms. Beyond surface meanings, the texts were interrogated for underlying assumptions, institutional biases, regulatory power dynamics, and socio-economic implications in both contexts. Themes were compared across Saudi Arabia and Nigeria to highlight similarities, divergences, and context-specific challenges. Cross-verifying findings across regulatory frameworks, academic literature, and industry reports. Reliability was enhanced by maintaining a clear audit trail of coding decisions, thematic categorizations, and analytical memos. Since the study relies on publicly available documents, it poses minimal ethical risks. Nevertheless, sources were cited responsibly, and interpretations were carefully contextualized to avoid misrepresentation of regulatory bodies or institutions.

4. RESULTS AND DISCUSSION

This section presents the overall results and discussion of findings which are elaborated in the subsequent paragraphs.

First, Effective Shari'ah governance hinges on clear mandates for oversight, the independence and competence of Shari'ah Supervisory Boards (SSBs), and robust internal control lines. International standards reinforce these pillars: the IFSB's guiding principles call for adequate and effective access to a Shari'ah board with explicit responsibility for ensuring compliance across products and processes, while recent AAOIFI governance standards further codify frameworks, SSB appointment and composition, functions, and reporting (IFSB-10; AAOIFI GS 1, 19-22). These standards collectively emphasize independence, due care, proper qualifications, and transparent reporting factors consistently linked to stronger compliance outcomes. (IFSB, 2009; AAOIFI, 2024). Empirical evidence suggests that what SSBs do matters at least as much as how they are structured. When SSBs exercise a supervisory (not merely advisory) role scrutinizing structures, reviewing contracts, and monitoring implementation Islamic banks tend to exhibit better performance and accountability; by contrast, larger or more independent corporate boards do not automatically translate to better outcomes if Shari'ah oversight is weak (Mollah & Zaman, 2015). This finding underscores that governance quality is not

only a function of box-ticking attributes (e.g., board size) but of the SSB's practical authority, engagement, and access to information. (Mollah & Zaman, 2015).

Cross-jurisdictional differences are consequential. Centralized models such as Malaysia's Shariah Advisory Council (SAC) atop institutional Shari'ah committees and Pakistan's updated Shariah Governance Framework (SGF) aim to harmonize rulings, curb "fatwa-shopping," and strengthen enforcement. Malaysia's 2019 Policy Document on Shariah Governance sharpened expectations for expertise, tenure, and independence, while Pakistan's new SGF (2024/2025) consolidates roles, reporting lines, and accountability around the central bank's Shari'ah Board. Studies comparing models across OIC countries indicate that such centralization, where well-implemented, can reduce inconsistency and enhance market discipline, although it requires adequate talent pipelines and clear escalation protocols (Grassa, 2015; BNM, 2019; SBP, 2024/2025).

Inside institutions, internal Shari'ah audit and compliance functions are pivotal as the second and third lines of defense. The literature highlights that effectiveness rises with: direct reporting channels to the board or audit committee; clear, risk-based Shari'ah audit plans; coordination with the SSB; and adequate staffing/training. Where these elements are present, incidents of Shari'ah non-compliance fall, disclosures improve, and remediation is timelier (Rahman & colleagues; various conceptual and empirical studies). The growing body of work on Shari'ah audit calls for stronger integration with enterprise risk management and for explicit performance metrics tied to Shari'ah risk (e.g., SNCR) mitigation. (Ab Ghani & Abdul Rahman, 2015; Rahman et al., 2019–2021). On transparency and stakeholder accountability, SSB characteristics are associated with social and Shari'ah-related disclosures. Banks with active, well-resourced SSBs tend to disclose more on Zakat, Qard Hasan, investment account holder rights, and charitable activities, aligning reporting with Islamic values and stakeholder expectations (Farook, Hassan, & Lanis, 2011). Such disclosures complement prudential objectives by reinforcing market discipline and trust core governance outcomes in a faith-based finance ecosystem. (Farook et al., 2011).

Looking forward, standard-setting momentum continues. IFSB has been revising corporate governance guidance to reflect sustainability and emerging risks, while AAOIFI's new governance standards (2024) modernize SSB roles and reporting

expectations. For regulators and boards, the practical implication is to move beyond formal compliance to substantive assurance embedding Shari'ah considerations in strategy, product development, risk appetite, audit planning, and disclosure. Institutions that operationalize these expectations especially under centralized oversight are better positioned to avoid SNCR events, reduce legal/reputational risk, and sustain credibility with depositors and investment account holders. (IFSB, 2022 draft/revisions; AAOIFI, 2024).

Second, the findings of the study reveal that risk management is a fundamental component of Islamic banking due to the unique nature of Shari'ah-compliant financial contracts. Unlike conventional banks, Islamic banks operate under profit-and-loss sharing principles, which expose them to distinctive risks such as Shari'ah non-compliance risk, displaced commercial risk, and equity investment risk (El Tiby & Grais, 2011). These findings highlight that managing such risks requires a specialized framework that aligns with both prudential regulatory requirements and Shari'ah principles. Furthermore, the study shows that credit risk remains the most significant concern for Islamic banks. Since Islamic banks engage in asset-backed financing modes such as Murabahah, Ijarah, and Musharakah, the default of clients can lead to not only financial losses but also reputational damage (Ahmed & Khan, 2017). The findings suggest that robust credit appraisal mechanisms, continuous monitoring of financed assets, and Shari'ah-compliant collateral management are vital strategies for mitigating credit risk.

Liquidity risk also emerges as a major challenge, as Islamic banks cannot rely on conventional interest-based liquidity instruments. The findings indicate that the lack of Shari'ah-compliant money market instruments limits liquidity management options for Islamic banks, particularly in volatile markets (Chapra & Khan, 2000). To overcome this challenge, the study highlights the growing importance of Sukuk markets and central bank support in providing liquidity buffers that comply with Islamic principles. Another key finding relates to operational risk, which in Islamic banks is compounded by the complexity of Shari'ah contracts and the need for rigorous compliance. The study underscores that effective governance structures, staff training, and internal Shari'ah audits are crucial for minimizing operational risk (Archer & Karim, 2009). This reflects the necessity of integrating both conventional risk management practices and Shari'ah oversight to ensure resilience and credibility.

Market risk, especially arising from fluctuations in commodity prices and foreign exchange rates, is also evident in Islamic banking operations. The findings emphasize that since many Islamic financial products are tied to real assets, market volatility directly affects the performance of contracts such as Salam and Istisna (Iqbal & Mirakhor, 2011). The study suggests that adopting hedging mechanisms permissible under Shari'ah, such as Wa'd-based derivatives, can enhance the risk management toolkit of Islamic banks. Hence, the study reveals that a holistic risk management framework requires harmonization between international banking standards and Islamic financial regulations. The role of institutions such as the Islamic Financial Services Board (IFSB) and Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) is critical in providing guidelines that bridge this gap (Ahmed, 2011). The findings conclude that successful risk management in Islamic banking is contingent upon balancing regulatory compliance, Shari'ah adherence, and innovative financial practices to ensure stability and growth.

Third, the findings indicate that Shari'ah compliance is not only a religious obligation but also a critical component of risk management in Islamic banking. Unlike conventional banks, Islamic banks are required to ensure that all financial products and operations conform to Shari'ah principles, particularly the prohibitions of *riba* (interest), *gharar* (excessive uncertainty), and *maysir* (gambling) (Ayub, 2007). Failure to comply exposes institutions to Shari'ah non-compliance risk, which can undermine customer trust and damage institutional reputation (Muhammad, Ariff, Mansour, Suzanie, Ahmed & Mohammed, 2022). Thus, Shari'ah compliance serves as both a risk mitigation mechanism and a competitive advantage for Islamic banks. The study reveals that Shari'ah non-compliance risk is unique to Islamic finance and has far-reaching implications compared to conventional regulatory breaches. A violation of Shari'ah principles can invalidate contracts, resulting in financial losses and reputational damage (Archer & Karim, 2009). Therefore, risk management frameworks in Islamic banks must integrate Shari'ah governance structures such as Shari'ah boards and internal compliance reviews into overall risk management strategies to maintain integrity and accountability.

Moreover, the findings highlight that credit and liquidity risks are closely tied to Shari'ah compliance. Since Islamic banks use asset-backed modes of financing, failure to properly structure or monitor

contracts could lead to both financial losses and non-compliance (Khan & Bhatti, 2008). For example, improper documentation in Murabahah contracts or delayed delivery in Salam contracts can create compliance issues. Risk management in this context requires vigilant monitoring of transactions and strict adherence to Shari'ah contracts to ensure validity and enforceability. The study also emphasizes the role of Shari'ah compliance in mitigating operational risks. Errors in structuring Islamic products, insufficient staff training, or weak governance mechanisms can result in both operational inefficiencies and Shari'ah breaches (Chapra & Khan, 2000). Findings suggest that capacity building, standardization of contracts, and effective Shari'ah audits are essential for minimizing operational risk while ensuring compliance. In this sense, Shari'ah compliance becomes part of an integrated approach to risk management. Market risks are another area where Shari'ah compliance intersects with risk management. Islamic banks face restrictions on using conventional derivatives for hedging, which limits their ability to manage risks from currency fluctuations or commodity price volatility (Iqbal & Mirakhor, 2011). The findings suggest that permissible alternatives, such as Wa'd-based hedging structures, need to be developed and implemented within the boundaries of Shari'ah. These innovations demonstrate how compliance requirements can drive creativity in designing risk management instruments tailored to Islamic finance.

Thus, the findings underscore that international standard-setting bodies such as the Islamic Financial Services Board (IFSB) and the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) play a vital role in harmonizing Shari'ah compliance and risk management practices (Ahmed, 2011). Their guidelines provide Islamic banks with frameworks that integrate prudential regulations with Shari'ah principles, reducing compliance risk and enhancing financial stability. Ultimately, the intersection of Shari'ah compliance and risk management strengthens both the resilience and ethical foundations of Islamic banking (Hassan, 2019; Hassan, 2020).

Fourth, the findings suggest that financial stability in Islamic banking is deeply influenced by its adherence to Shari'ah principles, particularly the prohibition of interest and emphasis on risk-sharing. Unlike conventional banks, Islamic banks link financial transactions to tangible assets and real economic activities, which can reduce speculative bubbles and enhance systemic stability (Iqbal &

Molyneux, 2016). By ensuring that financing is asset-backed and tied to productive ventures, Islamic banks contribute to the resilience of the financial system. The study highlights that profit-and-loss sharing (PLS) contracts, such as Musharakah and Mudarabah, can promote stability by distributing risks between banks and their clients. However, the findings also reveal that these contracts expose banks to higher credit and agency risks due to information asymmetry (Ahmed, 2010). Effective monitoring, transparent reporting, and robust governance frameworks are therefore essential to manage these risks while maintaining financial stability.

Liquidity management emerges as a critical factor influencing the stability of Islamic banks. Findings indicate that the limited availability of Shari'ah-compliant liquidity instruments often constrains Islamic banks, especially during times of financial stress (Chapra & Khan, 2000). The development of Sukuk markets has been identified as a key innovation that provides Islamic banks with a viable liquidity buffer, enhancing their ability to withstand shocks and maintain financial equilibrium. Another important finding relates to the resilience of Islamic banks during global financial crises. Evidence shows that Islamic banks demonstrated relative stability during the 2008 global financial crisis compared to their conventional counterparts, largely due to their avoidance of interest-based derivatives and toxic assets (Hasan & Dridi, 2010). This highlights how Shari'ah-compliant principles can serve as a safeguard against systemic risks inherent in speculative financial practices.

The study also underscores that financial stability in Islamic banking requires strong regulatory and supervisory frameworks tailored to its unique operational models. Institutions such as the Islamic Financial Services Board (IFSB) and the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) play a vital role in harmonizing international best practices with Shari'ah requirements (Archer & Karim, 2009). These bodies provide standards that enhance transparency, risk management, and resilience across the Islamic financial sector. Hence, the findings reveal that long-term financial stability depends on innovation, diversification, and sustainability in Islamic banking. By expanding financing into areas such as green Sukuk, renewable energy, and small-and-medium enterprises (SMEs), Islamic banks can enhance both stability and socio-economic development (El Tiby & Grais, 2011). Thus, financial stability in Islamic banking is not only about avoiding crises but also about fostering inclusive growth, resilience, and

sustainable development in line with Shari'ah principles.

Fifth, the findings of the study highlight that balancing Shari'ah compliance and financial stability is central to the long-term sustainability of Islamic banking. Shari'ah compliance ensures the legitimacy and ethical credibility of Islamic financial institutions, while financial stability safeguards resilience and growth (Ayub, 2007). The integration of these two dimensions enables Islamic banks to fulfill both religious obligations and prudential regulatory requirements, reinforcing trust among stakeholders. This dual focus distinguishes Islamic banking from conventional banking models. The study shows that strict Shari'ah compliance can sometimes create challenges for financial stability, particularly in areas such as liquidity management and risk diversification. For example, restrictions on conventional derivatives limit the ability of Islamic banks to hedge against currency and commodity price volatility (Iqbal & Mirakhor, 2011). However, findings indicate that innovative Shari'ah-compliant instruments, such as Sukuk and Wa'd-based hedging, offer viable alternatives that maintain compliance while enhancing resilience. This demonstrates that compliance and stability are not mutually exclusive but can be aligned through financial innovation.

Another finding emphasizes the role of Shari'ah governance frameworks in achieving balance. Shari'ah supervisory boards, internal compliance units, and regulatory oversight help ensure that Islamic banks adhere to ethical principles while adopting sound risk management practices (Archer & Karim, 2009). The study suggests that when governance mechanisms are weak, institutions risk both compliance breaches and systemic vulnerabilities. Therefore, strong governance acts as a bridge between maintaining compliance and ensuring stability. The findings further highlight that balancing compliance and stability requires harmonization with global financial standards. While Islamic banks follow AAOIFI and IFSB guidelines, they also need to align with Basel III and international prudential norms (Ahmed, 2011). The integration of these frameworks ensures that Islamic banks remain competitive and resilient in the global financial system without compromising their religious identity. This balance provides both legitimacy in Muslim markets and credibility in international markets.

The study also reveals that customer trust is deeply influenced by how well Islamic banks' balance Shari'ah adherence with financial soundness.

Non-compliance risks can erode confidence, while financial instability can undermine the attractiveness of Islamic banks compared to conventional alternatives (Khan & Bhatti, 2008). Findings suggest that transparent disclosure, standardized practices, and stakeholder engagement are essential to preserving trust and ensuring long-term growth. Hence, the findings conclude that the intersection of compliance and stability reflects the holistic vision of Islamic finance. By embedding ethics, fairness, and transparency into financial operations, Islamic banking not only enhances systemic stability but also promotes social justice and inclusive development (Chapra, 2011). This integrated perspective ensures that compliance is not a constraint on stability but a foundation for sustainable growth and resilience in the Islamic financial system.

The findings indicate that robust Shari'ah governance and risk management frameworks in Saudi Arabia and Nigeria significantly contribute to advancing the Sustainable Development Goals (SDGs), particularly SDG 16 (peace, justice, and strong institutions). Both jurisdictions, through SAMA's Shariah Governance Framework and the CBN's Corporate Governance Guidelines for non-interest finance, have institutionalized structures that ensure transparency, accountability, and compliance (SAMA, n.d.; CBN, 2023). This strengthens market integrity, reduces the risks of regulatory arbitrage, and builds trust in financial systems. By embedding Shari'ah boards, compliance units, and risk oversight mechanisms, the frameworks ensure Islamic banks operate with ethical standards while maintaining financial stability, which is foundational to inclusive and sustainable development.

The study also finds that Shari'ah governance frameworks promote SDG 8 (decent work and economic growth) and SDG 9 (industry, innovation, and infrastructure) by mobilizing finance toward the real economy through asset-backed, socially responsible financing. In Saudi Arabia, sustainable sukuk issuances underpinned by clear governance standards channel capital into infrastructure, renewable energy, and SME financing, demonstrating how Islamic finance can directly support national development strategies such as Vision 2030 while aligning with global SDG priorities (Reuters, 2024; Vision 2030/FSDP, 2021). Similarly, Nigeria's non-interest banking windows have expanded access to finance for underbanked communities, thereby supporting financial inclusion, reducing poverty, and addressing inequalities, which aligns with SDG 1 (no poverty) and SDG 10 (reduced inequalities).

Furthermore, the findings highlight the role of Shari'ah governance in facilitating partnerships and global alignment, directly linking with SDG 17 (partnerships for the goals). By adopting standards from AAOIFI and IFSB, Saudi Arabia and Nigeria harmonize their frameworks with global best practices, fostering cross-border investment and joint initiatives in green and SDG-themed Islamic financial products (AAOIFI, 2024; IFSB, 2015). This interoperability supports investor confidence, encourages cross-country capital flows, and enhances the capacity of Islamic banks to contribute to climate resilience, infrastructure financing, and social development. Ultimately, the results show that effective Shari'ah governance and risk management frameworks not only protect financial stability but also enable Islamic banking to act as a transformative force for achieving sustainable development in line with the SDGs.

5. IMPLICATIONS OF THE STUDY

The findings imply that robust Shari'ah governance structures are essential for ensuring the credibility and resilience of Islamic banking. In both Saudi Arabia and Nigeria, policies should require the institutionalization of strong Shari'ah boards at both the bank and regulatory levels. Such structures will minimize Shari'ah non-compliance risks and enhance consumer trust, which is vital for sustaining financial stability and expanding the Islamic banking industry. A major policy direction is the harmonization of regulatory frameworks with international standards such as AAOIFI, IFSB, and Basel III. Saudi Arabia, with its advanced Islamic finance sector, can serve as a model for Nigeria, where Islamic banking is still emerging. Harmonization will ensure consistency, comparability, and credibility of practices while protecting both countries from systemic risks associated with fragmented regulation.

The implication here is that human capital is at the heart of effective Shari'ah governance and risk management. Both countries must invest in training Shari'ah scholars, risk managers, auditors, and regulators in contemporary risk management tools alongside classical jurisprudence. Such policy initiatives will create a pool of experts capable of integrating compliance with modern financial stability requirements. The study suggests that transparency in Shari'ah governance and risk management practices is critical for improving accountability. Policymakers should enforce disclosure requirements on Shari'ah board rulings, compliance audits, and risk management strategies.

This will help build stakeholder confidence, reduce information asymmetry, and encourage ethical financial practices in both Saudi and Nigerian contexts.

Policies must encourage innovation in designing Shari'ah-compliant instruments to address credit, liquidity, and market risks. For instance, Sukuk can be developed as a liquidity management tool, while Wa'd-based structures can be used for risk hedging. In both Saudi Arabia and Nigeria, regulatory support for such instruments will reduce reliance on conventional methods while ensuring compliance and stability. The implication of increasing globalization of finance is that Saudi Arabia and Nigeria should strengthen bilateral cooperation in Islamic banking supervision. Regulatory collaboration can facilitate knowledge sharing, best practice adoption, and the joint development of risk management strategies. This will also foster mutual growth and enhance the global competitiveness of both financial systems. Another implication is that Shari'ah compliance should not be treated as a separate process from risk management. Instead, policymakers should direct banks to integrate Shari'ah governance mechanisms into overall risk management frameworks. This holistic approach ensures that compliance becomes part of risk mitigation, balancing ethical requirements with financial prudence.

The findings suggest that inclusive financial products such as Qard Hasan and Islamic microfinance can enhance socio-economic stability while maintaining Shari'ah compliance. Policymakers in Saudi Arabia and Nigeria should encourage banks to diversify their offerings towards financial inclusion, reducing poverty and inequality, and thereby contributing to long-term financial stability. To safeguard both compliance and stability, there is a need for independent oversight mechanisms. Regulatory bodies in Saudi Arabia and Nigeria should establish independent Shari'ah audit units and national-level Shari'ah advisory councils. These institutions will standardize compliance practices, minimize reputational risks, and strengthen regulatory confidence in Islamic banking operations.

The implication is that continuous research and innovation are necessary to keep pace with evolving market dynamics. Governments and regulators in both countries should support policy research, academic-industry collaborations, and think tanks to advance Shari'ah governance and risk management frameworks. This will ensure that the Islamic banking industry remains adaptive, resilient, and

aligned with both Shari'ah principles and global financial stability standards.

The implication of this study is that strengthening Shari'ah governance and risk management frameworks in Islamic banking has direct relevance for achieving the SDGs by positioning financial institutions in Saudi Arabia and Nigeria as enablers of sustainable development. By ensuring compliance, transparency, and accountability, these frameworks reinforce SDG 16 (peace, justice, and strong institutions), while their role in channeling funds toward SMEs, infrastructure, and green projects supports SDG 8 (decent work and economic growth) and SDG 9 (industry, innovation, and infrastructure) (IFSB, 2015; OECD, 2020). Moreover, by promoting inclusive access to finance, particularly for marginalized groups, they contribute to SDG 1 (no poverty) and SDG 10 (reduced inequalities). Finally, through the adoption of AAOIFI and IFSB standards, these frameworks foster cross-border partnerships and harmonization, advancing SDG 17 (partnerships for the goals) (AAOIFI, 2024; UNDP-IsDB, 2024).

6. CONCLUSION AND RECOMMENDATIONS

This study has examined the interplay between Shari'ah governance and risk management frameworks in Islamic banking, focusing on the balance between compliance and financial stability in Saudi Arabia and Nigeria. The findings reveal that while Shari'ah governance ensures ethical legitimacy and stakeholder trust, risk management frameworks are critical for maintaining systemic stability and resilience. Together, they form the backbone of a sustainable Islamic banking system. In Saudi Arabia, the maturity of Islamic finance, supported by advanced regulatory structures and global leadership, demonstrates the effectiveness of integrating Shari'ah governance with risk management to achieve financial stability. Conversely, Nigeria's Islamic banking industry, though still developing, faces challenges related to limited expertise, weak governance structures, and inadequate Shari'ah-compliant financial instruments. Despite these differences, both countries share the common goal of aligning Islamic banking with broader financial sector stability and socio-economic development. The study concludes that balancing compliance and stability requires strong governance, regulatory harmonization, and continuous innovation. Without robust Shari'ah governance, Islamic banks risk reputational damage, while weak risk management exposes them to systemic vulnerabilities. Thus, the integration of compliance and stability is not a matter of choice but

a necessity for the growth and credibility of the industry. The study affirms that effective Shari'ah governance and risk management frameworks in Saudi Arabia and Nigeria not only safeguard financial stability but also directly advance the SDGs by embedding ethical compliance, institutional accountability, and inclusive financial practices. By aligning Islamic banking operations with goals such as SDG 8 (economic growth), SDG 9 (innovation and infrastructure), SDG 16 (strong institutions), and SDG 17 (partnerships), these frameworks position the sector as a catalyst for sustainable and equitable development. Based on the overall findings, **the following recommendations are made**

1. Saudi Arabia and Nigeria should institutionalize stronger Shari'ah supervisory boards and independent Shari'ah audit mechanisms at both bank and regulatory levels to minimize non-compliance risks and enhance transparency.
2. Both countries should align local frameworks with international standards such as AAOIFI, IFSB, and Basel III to ensure consistency, credibility, and competitiveness in global Islamic financial markets.
3. There is a need for continuous training of Shari'ah scholars, risk managers, auditors, and regulators in modern financial practices alongside Islamic jurisprudence to bridge the gap between compliance and risk management.
4. Regulators and financial institutions should prioritize the development and adoption of innovative Shari'ah-compliant instruments such as Sukuk, Islamic liquidity facilities, and hedging tools to address credit, liquidity, and market risks.
5. Islamic banks should be mandated to disclose Shari'ah board rulings, compliance reports, and risk management practices, thereby strengthening accountability and stakeholder confidence.
6. Governments, regulators, and academic institutions should collaborate to advance policy research and innovation in Shari'ah governance and risk management frameworks, ensuring adaptability to evolving market dynamics.

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