

Sharia Supervisory Boards as Mechanisms of Religious Governance: A Qualitative Analysis of DPS Reports and Disclosures in Southeast Asian Islamic Banks

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ABSTRACT

Keywords:

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Background: This study examines how Sharia Supervisory Boards (DPS) communicate their religious governance roles in Islamic banks across Southeast Asia.

Method: Using a comparative qualitative approach, the analysis is based on DPS reports, regulatory frameworks, and AAOIFI governance standards from 2020 to 2024.

Results: The results show regional convergence in core disclosure elements such as annual Shariah opinions, religious framing, and formal oversight statements. Malaysia and Brunei demonstrate the highest narrative detail and transparency, while Indonesia employs concise doctrinal reporting and Thailand presents minimal disclosure. The study reveals that DPS communication serves as a hybrid mechanism combining spiritual accountability, procedural assurance, and legitimacy construction. Variations across countries are shaped by institutional maturity, regulatory environments, and the strength of governance expectations. These findings contribute to a nuanced understanding of how Shariah governance is performed through narrative reporting in Southeast Asian Islamic banks.

Conclusion: This study examined how Dewan Pengawas Syariah (DPS) express and communicate their religious governance roles across Islamic banks in Southeast Asia by analyzing formal DPS reports and related governance documents from Indonesia, Malaysia, Brunei Darussalam, and Thailand. The findings show that DPS consistently construct their role through a combination of devotional language, compliance declarations, and the articulation of oversight responsibilities, reflecting a shared foundation of Islamic accountability. While religious expressions vary in richness and placement, all jurisdictions employ them to signal ethical integrity and alignment with divine and public expectations. Oversight narratives likewise form a core part of DPS communication, although the depth of disclosure differs substantially across countries. Collectively, these patterns reveal that DPS reports function as both spiritual statements and institutional instruments of governance

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INTRODUCTION

Southeast Asia has emerged as one of the world's most dynamic regions for Islamic finance, hosting 33 Islamic banks, 35 Islamic windows, and 6 digital Islamic banks (Fuadi et al., 2025a). These institutions collectively represent between 13 and 18 percent of global Islamic financial entities, positioning the region as a major hub where sharia governance plays a central role in sustaining credibility and public trust (Abozaid, 2021a). Malaysia and Indonesia dominate the sector with the largest institutional networks, while Brunei, Thailand, Singapore, and the Philippines operate much smaller systems that are nonetheless strategically relevant (Muttaqin, 2025). This uneven distribution reflects differing levels of institutional maturity and underscores the importance of understanding how governance practices evolve across diverse regulatory contexts.

The structure of Islamic finance in Southeast Asia is marked not only by institutional variation but also by rapid expansion in adjacent sectors (Lestari, 2025a). Malaysia leads the Takaful industry with 24 providers, followed by Indonesia with 12 and Brunei with 4, illustrating strong expectations for comprehensive sharia oversight across insurance and banking (Mukhibad, 2018). Meanwhile, the Islamic fintech sector has grown significantly, with Indonesia hosting 68 Islamic fintech companies and Malaysia 60, far outpacing Singapore and Thailand (Fuadi et al., 2025a). This acceleration of digital models introduces new compliance demands and heightens the need for transparent, auditable, and consistent interpretations of sharia principles. Such developments reinforce the relevance of Dewan Pengawas Syariah (DPS) as institutional actors whose judgments shape both operational integrity and public confidence (M. K. Alam & Miah, 2024).

Historically, the growth of Islamic finance in the region has progressed through multiple phases, demonstrating both maturity and ongoing institutional transformation (Abozaid, 2021b). Before 2005, only a handful of banks operated in Southeast Asia, followed by a surge of establishments between 2005 and 2014 that added more than 20 Islamic banks and nearly as many windows (Fuadi et al., 2025b). Although growth slowed after 2015, the post-2019 emergence of digital Islamic banks and new windows signals a shift toward technologically enabled business models (Lestari, 2025b). These structural changes suggest that sharia governance mechanisms, including the roles and reporting practices of DPS, have had to evolve in response to industry complexity. As digitalization reshapes product structures and transaction flows, the work of DPS becomes increasingly consequential for ensuring sharia compliance across new and hybrid operational settings.

Recent developments within individual countries further highlight the rising expectations for sharia governance. Indonesia's OJK Regulation No. 2/2024 introduces strengthened internal controls, dedicated sharia compliance units, and independent contract validation, directly expanding the responsibilities of DPS. Malaysia's regulatory reforms reinforce operational segregation between Islamic and conventional divisions and introduce standardized frameworks such as SBBA and Collateralized Commodity Murabahah, increasing the sophistication of governance obligations. In the Philippines, the establishment of Islamic Banking Units and the rollout of new sharia-compliant products reflect an emerging system where governance practices are still developing. These variations across countries create a landscape where the roles of DPS, and the ways in which they communicate those roles, are likely to differ significantly. Recent research on Sharia Supervisory Boards (SSB/DPS) has focused primarily on quantitative attributes and disclosure indices, leaving limited insight into how DPS actually articulate their religious governance roles through narrative reporting. Studies such as N. D. Puspitasari & Kasri (2023) examine SSB characteristics and sustainability performance, while Wijayanti & Setiawan (2022) evaluate SSB influence on Islamic social reporting, yet neither analyzes the textual content of DPS reports themselves. Bibliometric mapping by Yusril et al. (2024) highlights growing interest in SSB themes but identifies no empirical work on DPS reporting practices. Even recent governance disclosure studies, including Aspiranti et al. (2023) and Rahim et al. (2023), measure the extent of disclosure rather than its substance. Consequently, there remains a clear gap in the literature for a qualitative, cross-country analysis of how DPS communicate religious governance through their official reports in Southeast Asia.

Table 1. Research Gap Matrix Based on Recent DPS/SSB Literature (2020–2025)

Prior Studies	Focus / Findings	Identified Gaps Relative to This Study	Novelty of This Study

<p>(N. D. Puspitasari & Kasri, 2023)</p>	<p>Tests how SSB score and attributes (size, meetings, education, diversity) affect sustainability performance (GRI-based) in Indonesian Islamic banks using content analysis + panel regression (2010–2020).</p>	<p>Quantitative, Indonesia-only; focuses on SSB attributes and score, not on how DPS narrate religious governance in their reports; no cross-country comparison.</p>	<p>Switches from attributes/score to narrative content of DPS reports; interprets how DPS articulate religious governance; extends scope to multiple Southeast Asian countries.</p>
<p>(Yusril et al., 2024)</p>	<p>Bibliometric mapping of 315 Scopus articles (1988–2023); identifies five clusters: SSB in sharia governance, Islamic finance development, bank performance, SSB characteristics, leadership/politics.</p>	<p>Conceptual/bibliometric; no empirical analysis of DPS/SSB reports; does not study actual DPS reporting practices or narrative expression of oversight; no regional comparative document study.</p>	<p>Responds to bibliometric calls by providing empirical, qualitative document analysis of DPS reports and comparing reporting practices across Southeast Asia.</p>
<p>(Wijayanti & Setiawan, 2022)</p>	<p>Examines how SSB characteristics and an IG-Score affect Islamic Social Reporting (ISR), and how ISR impacts ROA, MTBV, Tobin’s Q, using 90 Islamic banks worldwide (2016–2020).</p>	<p>Focuses on ISR level and firm performance, not on DPS report content; SSB is modeled as determinant of ISR, not as textual performer of religious governance; no Southeast Asia–focused comparative reading of DPS narratives.</p>	<p>Treats DPS reports themselves as primary empirical material and asks how DPS communicate oversight, piety, and accountability; situates findings in country-level institutional contexts in Southeast Asia.</p>
<p>(Aspiranti et al., 2023)</p>	<p>Develops a Shariah Governance Reporting Index (six dimensions) and measures the extent of SG reporting in 16 Malaysian Islamic banks (2014–2018) via content analysis.</p>	<p>Focuses on extent of SG disclosure via an index; still score-oriented, not an in-depth reading of how DPS linguistically perform religious governance; limited to Malaysia; SG reporting is bank-wide, not specifically about DPS reports as religious texts.</p>	<p>Goes beyond index scores to interpret themes, language, and depth of DPS narratives; reads DPS reporting as religious governance performance; extends analysis beyond Malaysia to Indonesia, Malaysia, Brunei, and Thailand.</p>
<p>(Abdul Rahim et al., 2024)</p>	<p>Analyzes shariah governance disclosure index in Islamic banks (Malaysia + GCC) and tests its impact on financial performance.</p>	<p>Links SG disclosure to financial performance, not to religious governance articulation; still uses aggregated disclosure scores, not detailed qualitative reading of DPS texts; sample is Malaysia + GCC, not Southeast Asia as a region.</p>	<p>Reorients the question from “does SG disclosure affect performance?” to “how do DPS narrate and perform religious governance in their reports?” and</p>

			compares this across Southeast Asian jurisdictions.
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METHOD

This study adopts a qualitative, document-based comparative research design that positions DPS, Shariah Committee, Shariah Advisory Body, and Shariah Council reports as institutional artefacts that communicate religious governance. Rather than analyzing individual DPS members, the research treats these documents as authoritative texts that express how Islamic banks articulate oversight, accountability, piety, and compliance to stakeholders. This approach follows Bowen (2009) model of qualitative document analysis and adapts Faizi & Shuib (2024) comparative logic in examining cross-national variations in Shariah governance. Given that DPS reports are mandatory governance disclosures rooted in national regulations and international standards, they provide a structured and consistent basis for exploring religious governance practices. Through this design, the study interprets how Southeast Asian Islamic banks construct public narratives of Shariah compliance across varying regulatory and institutional environments.

The primary units of analysis for this research consist of formal DPS or Shariah Committee reports embedded in annual reports of Islamic banks across Indonesia, Malaysia, Brunei, and Thailand from 2020 to 2024. These texts represent the official medium through which DPS communicate their supervisory roles and issue Shariah compliance opinions. Complementary units include regulatory documents such as DSN-MUI's SOP, OJK guidelines, Bank Negara Malaysia's Shariah Governance Framework 2019, Brunei's Shariah Governance Framework, and the Islamic Bank of Thailand Act. These regulatory sources provide the structural context shaping DPS reporting and allow alignment checks between institutional obligations and public disclosures. In addition, AAOIFI Governance Standards and IFSB guidelines are used as interpretive references to benchmark regional practices against international expectations.

Data collection followed a systematic multi-source procedure that draws from official and publicly accessible repositories. DPS or Shariah Committee reports were retrieved from Islamic bank websites, including Maybank Islamic, Citibank Malaysia, Bank Muamalat Malaysia, Bank Aladin Syariah, BCA Syariah, Bank Syariah Indonesia, Bank Victoria Syariah, and BIBD in Brunei, alongside compliance statements issued by the Islamic Bank of Thailand. Regulatory materials were obtained from the online portals of OJK, Bank Negara Malaysia, BDCB Brunei, and the Bank of Thailand, ensuring that variations in reporting could be linked to jurisdictional requirements. International governance standards, particularly AAOIFI GSIFI No.1 (2023), were sourced from AAOIFI's official publications to enable global benchmarking. All documents were archived, catalogued by country and year, and screened to include only materials published between 2020 and 2024, with Brunei's 2016 reports retained as baseline structural references due to limited recent disclosures.

The study employed a four-stage qualitative document analysis supported by cross-jurisdiction comparison. The first stage involved repeated close reading of all DPS and regulatory documents to identify patterns in religious phrasing, oversight claims, regulatory references, and reporting structures. The second stage applied deductive and inductive coding to extract themes such as divine accountability, scope of review, transparency of Shariah non-compliance, independence, and public assurance, drawing on AAOIFI, SGF 2019, DSN-MUI SOP, and relevant literature. In the third stage, a comparative matrix was constructed to contrast how each country expresses similar themes, highlighting convergence, divergence, and differences in narrative richness. The final interpretive stage synthesised these findings through theoretical lenses including Islamic accountability theory, legitimacy theory, and institutional theory to explain why certain patterns appear across or differ between jurisdictions.

Several strategies were employed to strengthen the trustworthiness of the analysis. Source triangulation was achieved by using multiple document types, DPS reports, regulatory guidelines, fatwa-based SOPs, and international governance standards, ensuring that interpretations were not dependent on a single textual source. Country-level cross-checking ensured that insights derived from one jurisdiction were validated against at least two documents from the same country, reducing interpretive bias. A complete audit trail was maintained, documenting all steps of data acquisition, coding decisions,

and iterative refinement of themes to support methodological transparency. Theory-driven coding enhanced consistency by anchoring theme interpretation within established Shariah governance and accountability frameworks. These combined measures align with qualitative document analysis standards and support rigorous comparative interpretation.

The study selected Indonesia, Malaysia, Brunei, and Thailand because they represent distinct Shariah governance ecosystems that offer meaningful contrasts for comparative analysis. Malaysia serves as the region's most mature model with highly structured Shariah governance requirements and detailed DPS reporting standards, making it a benchmark for other jurisdictions. Brunei mirrors Malaysia's system through regulatory borrowing and a dual-layer Shariah governance structure, providing an intermediate case of institutional alignment and adaptation. Indonesia presents a centralised fatwa authority model under DSN-MUI, where DPS reports are concise and emphasise fatwa compliance rather than extensive audit disclosures. Thailand operates a nascent ecosystem with minimal public Shariah reporting obligations, offering insight into early-stage governance development. Together, these four countries enable a comprehensive comparative inquiry into how institutional environments shape the articulation of religious governance.

RESULTS AND DISCUSSION

Dewan Pengawas Syariah (DPS) Express and Communicate Their Religious Governance Roles Through Their Official Reports and Disclosures in Islamic Banks Across Southeast Asia

Islamic Invocations and Piety Signaling Across Southeast Asia, DPS reports commonly open with Islamic invocations that immediately frame Shariah oversight as an act of worship rather than a purely technical compliance exercise. In Malaysia, for instance, Maybank Islamic's Shariah Committee begins its report with, "In the name of Allah, the Most Compassionate, the Most Merciful. All praise is due to Allah... and peace and blessings be upon the Prophet," before addressing any governance content (Maybank Islamic Berhad, 2023). Brunei's Shariah Advisory Body at BIBD adopts a similar register, starting with "Bismillahir Rahmanir Rahim... In compliance with the terms of our appointment..." which links the divine invocation directly to the formal execution of their mandate (Brunei Darussalam Central Bank, 2019). Indonesian DPS letters tend to be slightly more concise but still insert explicit piety markers, such as Bank Victoria Syariah's closing prayer, "...kami berdoa agar Allah SWT senantiasa memberikan keberkahan..." after affirming Shariah compliance (Bank Victoria Syariah, 2021). These textual choices show that before any technical description of review procedures, DPS construct a devotional atmosphere that reminds readers that Shariah governance is undertaken in the name of God.

Beyond stylistic greeting, these invocations operate as devices of divine accountability, signaling that DPS see their judgments as answerable to Allah as much as to shareholders and regulators. Citibank Berhad's Shariah Committee, for example, concludes its opinion with the supplication, "We beg Allah the Almighty to grant us success and lead us on the right path," explicitly locating the committee's assurance within a moral relationship to God (Citibank Berhad, 2023). Similar formulations appear in Malaysian and Bruneian reports that attribute the bank's performance "by the Grace of Allah," thereby portraying institutional outcomes as contingent on ethical and religious correctness rather than solely on business strategy (BIBD, 2016a; Citibank Berhad, 2023). In the Indonesian context, phrases that pray for keberkahan (blessing) for all stakeholders after affirming compliance likewise frame DPS as spiritual guardians whose opinions carry eschatological weight, not just legal force (Bank Syariah Indonesia, 2022; Lexology, 2024). Taken together, these patterns indicate that religious framing is a core mechanism through which DPS construct their legitimacy, presenting Shariah reports as testimonies before God and the public simultaneously.

1. Articulation of Oversight and Review Activities

DPS reports across Southeast Asia consistently emphasize their review of contracts, products, and transactions as a core oversight activity, though the depth of disclosure varies significantly by country. Malaysian Shariah Committee reports provide the most explicit articulation, such as in Citibank Berhad's statement: "We have reviewed the principles and the contracts relating to the transactions and applications introduced by the Bank during the year" (Citibank Berhad, 2023). Indonesian DPS disclosures are generally more concise, often expressed as a broad affirmation rather than detailed

enumeration, exemplified in Bank Aladin's report: "...secara umum penghimpunan dana, penyaluran dana, dan layanan Bank telah sesuai dengan Fatwa DSN-MUI..." (Aladin Bank Syariah, 2022). Brunei's SAB reports tend to mirror Malaysia's structure due to shared governance frameworks, although their public disclosures are less granular than Malaysia's. Meanwhile, Thailand's advisory council typically provides only a minimal acknowledgment that oversight was conducted, reflecting the nascent nature of the Islamic finance sector there (Brunei Darussalam Central Bank, 2019).

Malaysia also distinguishes itself through explicit reliance on internal Shariah audit and review functions, demonstrating a multilayered governance system consistent with Bank Negara Malaysia's Shariah Governance Framework 2019. For example, Maybank Islamic notes that "The Bank has carried out Shariah audit and Shariah review... and the reports were deliberated in the Shariah Committee meetings" (Maybank Islamic Berhad, 2022), indicating formal integration of audit findings into DPS decision-making. Quantitative governance disclosures further reinforce this transparency, such as Maybank's documentation of 26 SC meetings with members exceeding the 75% attendance requirement, or Bank Muamalat's publication of six Shariah non-compliance events in 2021. In contrast, Indonesian DPS reports rarely disclose numerical indicators or statistics of governance activities, reflecting a more narrative and less data-driven reporting style shaped by DSN-MUI centralization. Brunei sits between these two extremes, structured and compliant with audit-based governance, yet less publicly detailed than Malaysia, while Thailand continues to operate with minimal disclosure, underscoring limited regulatory demands and sector maturity.

2. Independence & Professional Governance Tone

DPS reports in Malaysia provide the clearest and most explicit declarations of independence, positioning the Shariah Committee as an autonomous governance body whose judgments are free from conflicts of interest. Citibank Berhad's 2022 Shariah Committee Report clearly states: "We, the members of the Shariah Committee, have no personal interest in any dealings or transactions approved by the Bank" (Citibank Berhad, 2022). This type of statement resembles auditor-style independence assertions, signalling that DPS decisions are grounded in impartiality and professional ethics rather than institutional loyalty. Indonesia's DPS statements rarely include such explicit independence clauses; instead, they implicitly assume independence through compliance affirmations tied to DSN-MUI fatwas. Brunei generally mirrors Malaysia's tone through similar independence-style declarations, while Thailand's Council provides minimal disclosure and does not explicitly articulate independence due to the nascent nature of its Shariah governance framework (Government of Thailand, 2002).

Malaysian DPS reports also articulate a clear division of responsibility between bank management and the Shariah Committee, reflecting a mature governance culture. Maybank Islamic's 2022 Shariah Committee report states: "Management is responsible for day-to-day compliance... while it is our responsibility to form an independent opinion" (Faizi & Shuib, 2024). This distinction emphasizes that management executes Shariah compliance operationally, whereas DPS independently reviews, validates, and opines on that compliance. Indonesian DPS reports rarely articulate this structural separation explicitly, likely because Shariah governance remains centered on DSN-MUI fatwa adherence rather than detailed governance process description. Brunei, influenced by Bank Negara Malaysia's framework, tends to adopt this dual-responsibility language, while Thailand's reporting remains brief and does not elaborate on management–DPS role boundaries due to limited disclosure requirements.

3. Reference to Regulators & National Shariah Authorities

Across all four countries, DPS narratives repeatedly anchor their opinions in national Shariah or regulatory authorities, signalling that their oversight is not purely internal but embedded in a broader governance network. Indonesian DPS letters routinely affirm that bank activities are "tidak bertentangan dengan Fatwa-Fatwa Dewan Syariah Nasional – MUI", explicitly situating their judgments under DSN-MUI as the central fatwa issuer for Islamic finance (DSN-MUI, 2020).

Malaysian Shariah Committees similarly cite Bank Negara Malaysia's Shariah Advisory Council, noting that their decisions are "in accordance with resolutions of the Shariah Advisory Council of Bank Negara Malaysia" and thus aligning bank-level oversight with national Shariah policy (Aspiranti et al., 2023; Faizi & Shuib, 2024; Sandy & Filianti, 2025). In Brunei, Shariah Advisory Body reports stress that products and services are approved not only by the bank's SAB but also by the Syariah Financial Supervisory Board of the Brunei Darussalam Central Bank, signalling a two-tier structure that mirrors

Malaysia's model (BIBD, 2016b). Thailand stands out because its advisory council reports to the Islamic Bank of Thailand's board and the Bank of Thailand under statutory rules, but public DPS-style texts contain only very brief references to regulators, reflecting the absence of a separate national Shariah council and a still-nascent Shariah governance framework.

At the same time, the way DPS invoke regulators and national councils reveals different degrees of convergence with AAOIFI's governance standards, which expect Shariah boards to issue an independent annual report that explains the scope of review and bases its opinion on recognised Shariah authorities. Malaysian and Bruneian reports most closely approximate this ideal: they refer to national Shariah bodies (SAC BNM or SFSB BDCB), describe how internal Shariah review and audit were conducted, and then issue an opinion that operations have been conducted in line with Shariah resolutions, effectively operationalising AAOIFI's template (AAOIFI, 1997; (AAOIFI), 2023). Indonesian DPS statements fulfil the core requirement of expressing a Shariah compliance opinion grounded in DSN-MUI fatwas, but they rarely spell out the scope of procedures or any interaction with OJK's Shariah governance expectations, resulting in a more compressed, fatwa-centred version of AAOIFI-type reporting (DSN-MUI, 2020). Thailand's sparse references, essentially affirming Shariah adherence under the Islamic Bank of Thailand Act and Bank of Thailand supervision – indicate only a minimal, statutory alignment with the idea of a public Shariah board report, rather than a fully developed AAOIFI-style disclosure. Taken together, Theme 4 shows that DPS do not speak as isolated scholar-committees: they constantly invoke national councils, regulators, and (implicitly) global standards to frame their opinions as part of a multi-layered Shariah governance system.

4. Transparency About Shariah Non-Compliance (SNC)

Malaysian Shariah Committee reports present the highest level of transparency in Southeast Asia, routinely disclosing Shariah non-compliance (SNC) findings in accordance with Bank Negara Malaysia's Shariah Governance Framework 2019. In Bank Muamalat's 2021 report, the Committee explicitly states that “six (6) Shariah non-compliance events have occurred and have been rectified,” demonstrating a willingness to enumerate actual breaches and their corrective actions (Bank Muamalat Malaysia Berhad, 2020, 2021, 2022). These disclosures are consistent with AAOIFI GSIFI No.1, which requires Shariah boards to identify and report any non-compliant income and ensure its purification. Malaysian reports also articulate the internal governance processes behind these findings, describing how internal Shariah audit, Shariah review, and risk units investigate root causes before the Committee deliberates on rectification. This practice reflects a mature governance environment where transparency is framed as both a regulatory expectation and an ethical duty toward stakeholders (Markets, 2022).

In contrast, DPS reports in Indonesia, Brunei, and Thailand rarely disclose specific SNC events, even though internal reporting to regulators occurs. Indonesian DPS statements typically issue a blanket affirmation such as “operasional... telah sesuai dengan Prinsip Syariah dan Fatwa DSN-MUI,” without mentioning whether any breaches were detected or remedied (Aladin Bank Syariah, 2021, 2022; BCA Syariah, 2022). This absence of disclosure is structurally driven because DSN-MUI requires DPS to submit detailed SNC findings privately, via semiannual reporting to DSN-MUI, rather than publicly (DSN-MUI SOP). Brunei's Shariah Advisory Body (SAB) similarly provides an assurance of compliance but has no publicly available instance of SNC disclosure, despite operating under a governance system modeled after Malaysia's (BIBD SAB Report 2021). Thailand's Islamic Bank provides only a short affirmation of compliance and no SNC reporting, illustrating the limited maturity of its Shariah governance framework and the absence of AAOIFI-style disclosure practices (Islamic Bank of Thailand Act B.E. 2545 (2002), 2002).

5. Public Assurance & Legitimacy Construction

Across all jurisdictions, DPS reports culminate in a formal assurance statement that publicly certifies the bank's adherence to Shariah principles. Malaysian Shariah Committee reports are explicit, stating for example: “We hereby confirm that the operations, business, affairs, and activities of the Bank... are in compliance with Shariah principles” (Maybank SC, 2022). Indonesian DPS adopt similar declarative tones but with briefer phrasing, as seen in BCA Syariah's confirmation that “seluruh kegiatan Bank selama tahun 2022 telah memenuhi Prinsip Syariah” (BCA Syariah DPS Report, 2022). Brunei's Shariah Advisory Body echoes this formal assurance, affirming that the bank's operations “are in conformity with Shariah principles” (BIBD SAB, 2021). These statements represent the core public-

facing function of DPS reporting, signaling institutional legitimacy through concise religious certification.

Many DPS reports strengthen their assurance through religious invocations that frame compliance as a divinely accountable responsibility. Malaysian Shariah Committee letters frequently close with prayers such as “May Allah grant us success...”, a phrasing that reinforces the sacred dimension of oversight (Citibank SC Report, 2022). This rhetorical strategy appears in other jurisdictions as well, where DPS communications embed divine blessings or gratitude, often beginning with Bismillah or ending with supplications for guidance. These invocations function as symbolic markers of piety, reminding stakeholders that Shariah governance is grounded in spiritual accountability rather than merely procedural review. The patterned use of such religious language across countries illustrates how DPS construct legitimacy not only through formal compliance opinions but also through the moral weight of divine witness.

6. Shariah Governance in Digital Islamic Banks (2021-2024)

Digital Islamic banks in Southeast Asia demonstrate that Shariah governance obligations remain fully applicable even when banking processes shift into online and app-based environments. In Indonesia, Bank Aladin Syariah’s DPS explicitly confirmed Shariah adherence for its digital products, stating: “DPS menyatakan bahwa... aspek syariah dalam operasional dan produk Bank telah terpenuhi” (Bank Aladin Syariah DPS Report, 2022). This affirmation implies DPS oversight extending to e-wallet structures, automated onboarding flows, digital savings, and app-based financing mechanisms, all of which must align with DSN-MUI fatwas. The DPS’s involvement in monitoring such digital processes illustrates how Indonesia incorporates emerging fintech models within its traditional Shariah governance architecture. The reporting tone remains concise compared to Malaysian standards, but it signals that digital transformation does not exempt banks from rigorous DPS supervision.

Malaysia’s regulatory direction indicates that newly licensed Islamic digital banks are expected to publish full Shariah Committee reports consistent with Bank Negara Malaysia’s Shariah Governance Framework 2019 (SGF 2019). The requirement means digital banks such as KAF Digital Bank must follow the same structured reporting model that mandates disclosure of scope of review, Shariah audit results, and the Committee’s independent opinion. This expectation mirrors practices in Malaysia’s conventional Islamic banks, where Shariah Committees routinely provide detailed attestations referencing SAC-BNM rulings and internal audit deliberations (Citibank Berhad Shariah Committee Report, 2022). Unlike Indonesia’s shorter DPS declarations, Malaysia’s digital entities will likely adopt comprehensive reporting templates aligned with AAOIFI-style structures. The regional comparison therefore shows Indonesia already operationalizing DPS oversight in digital banks, while Malaysia is institutionalizing a standardized framework that will shape disclosure depth for future digital Islamic banking operations.

The Similarities and Differences in the Content, Themes, and Depth of DPS Reporting Practices Across Selected Countries in the Region.

1. Framing the Comparison

Answering the second research question, this study examines how DPS reporting practices differ across Indonesia, Malaysia, Brunei, and Thailand, and how these variations reflect underlying regulatory environments, governance maturity, and institutional expectations. This section builds directly on RQ1, which identified key themes through which DPS articulate religious governance, such as divine accountability, oversight articulation, independence, references to national Shariah authorities, disclosure of non-compliance (SNC), and public assurance (Citibank Berhad, 2022; Bank BCA Syariah, 2022; BIBD SAB, 2021). The comparative analysis therefore does not merely evaluate reporting styles but situates these themes in a regional context shaped by differences in Shariah governance frameworks. By positioning RQ2 as an extension of the thematic findings, the analysis highlights both common religious governance functions and divergent national regulatory logics.

This comparison covers four Southeast Asian jurisdictions with distinct Islamic finance profiles: Indonesia, Malaysia, Brunei Darussalam, and Thailand, with additional attention to digital Islamic banks where relevant. Indonesia and Malaysia represent the region’s largest and most institutionalized Islamic banking sectors, whereas Brunei provides a hybrid model shaped by regulatory borrowing from Malaysia

and AAOIFI standards (BIBD, 2021). Thailand serves as a contrasting case, with a nascent Islamic banking ecosystem dominated by a single state-owned bank whose Shariah reporting is still emerging (Bank of Thailand, 2016). Including these four jurisdictions allows the study to capture both maturity-driven variation and regulatory design differences that influence DPS disclosures.

The analysis applies thematic coding of DPS reports from 2020–2024, enabling systematic comparison of how DPS express religious legitimacy and institutional accountability. These primary materials include Shariah Committee reports of Malaysian banks (e.g., “We...confirm that operations...are in compliance with Shariah principles” – Citibank Berhad, 2022), DPS statements from Indonesian banks (e.g., “aktivitas Bank... telah memenuhi kepatuhan terhadap Prinsip Syariah dan Fatwa DSN-MUI” – Bank BCA Syariah, 2022), annual SAB reports from Brunei (BIBD, 2021), and public Shariah compliance affirmations from the Islamic Bank of Thailand (Bank of Thailand, 2016; Thailand, 2016a). This dataset, spanning both traditional and digital banks such as Bank Aladin Syariah, ensures that recent innovations and reporting trends are adequately represented.

To structure the comparison, the study also uses a comparative matrix (Table X) summarizing how each country’s DPS reporting reflects the thematic categories identified in RQ1. The matrix compiles indicators such as: degree of religious invocation, specificity of oversight descriptions, declaration of independence, regulatory references (e.g., DSN-MUI, SAC-BNM, SFSB-Brunei), treatment of non-compliance, and comprehensiveness of public assurance. This structured presentation allows clear visualization of similarities (e.g., universal compliance statements) and differences (e.g., Malaysia’s detailed SNC disclosures vs. Indonesia’s concise compliance certifications). The matrix thus acts as an analytical bridge between thematic findings and cross-country explanation.

Finally, the comparative analysis is benchmarked against AAOIFI Governance Standard No. 1, which prescribes the structure and expected content of Shariah Supervisory Board reports, including an independent opinion, scope of review, and disclosure of non-compliance and purification (AAOIFI, 2023). Malaysia and Brunei largely reflect these standards in practice, while Indonesia aligns partially through its DSN-MUI-driven model, and Thailand reflects minimal alignment due to its early-stage regulatory development. Using AAOIFI as an external benchmark enhances analytical rigor by positioning Southeast Asian practices within the broader global architecture of Shariah governance. The next subsection (4.2.2) draws on these foundations to present the full comparative analysis.

Table 2. Comparative Matrix of DPS Reporting Themes Across Countries (RQ2)

Theme / Aspect	Indonesia (DPS)	Malaysia (Shariah Committee)	Brunei (Shariah Advisory Body / SAB)	Thailand (Shariah Board / Advisory Council)
Religious invocation & piety framing	Religious language appears occasionally, usually in closing prayers; openings are often factual and concise (Bahasa Indonesia, minimal <i>basmala</i>).	Frequently opens with <i>Bismillah</i> and praises to Allah, plus Islamic greetings; some reports end with <i>du‘ā</i> , emphasizing divine accountability and piety.	Generally mirrors Malaysian style: starts with <i>Bismillah</i> and short invocations; reinforces that Shariah oversight is a religious trust as well as a governance function.	Public statements are minimal; any religious wording is brief and often embedded in general corporate text rather than a standalone religious preface.
Articulation of oversight & review	States that DPS has supervised operations throughout the year and ensured products follow DSN-MUI fatwas; description of activities is brief.	Provides detailed narrative on review of contracts, products, transactions; often mentions number of meetings, agenda items, and interaction with	Describes review of contracts and operations and confirmation of Shariah compliance; activity description is present but usually less granular than Malaysian reports.	Notes that a Shariah council ensures operations conform to Islamic principles, but public detail on actual oversight activities is very limited or absent.

		internal Shariah review/audit units.		
Independence & professional tone	DPS framed as internal Shariah organ enforcing DSN-MUI fatwas; independence is implied rather than elaborated in the public DPS statement.	Explicitly states that management is responsible for day-to-day compliance while the Shariah Committee forms an independent opinion; tone closely resembles external audit language.	SAB members are positioned as independent Shariah experts; reports adopt a formal assurance tone similar to Malaysian practice, though with fewer procedural details disclosed.	Shariah board is created by statute; independence is recognized in law, but public documents do not emphasise independence or detail how it is safeguarded in practice.
Reference to regulators / authorities	Strong and recurrent: DPS confirms alignment with fatwas of DSN-MUI and compliance with OJK rules; DPS reports are framed within this centralised fatwa system.	Explicit references to resolutions of the Shariah Advisory Council (SAC) of Bank Negara Malaysia and to the Shariah Governance Framework / Policy Document; reports show clear vertical linkage to national authorities.	Refers to approvals and oversight by the national Syariah Financial Supervisory Board (SFSB) under the Brunei Darussalam Central Bank; reflects “regulatory borrowing” from Malaysian/IFSB models.	Refers primarily to the Islamic Bank of Thailand Act and Bank of Thailand supervision; no separate national Shariah council is referenced in DPS-type statements.
Disclosure of Shariah non-compliance (SNC)	Public DPS statements generally provide blanket assurance of compliance and do not enumerate SNC cases; detailed SNC reporting is internal to DSN-MUI/OJK.	Public reports often state that specific SNC events occurred and were rectified, including purification of income; number and type of incidents may be disclosed as per SGF/SGPD 2019 requirements.	SAB confirms overall compliance; no public listing of SNC events is normally provided, though any material issues would be escalated to SFSB in line with Brunei’s Shariah governance framework.	No public evidence of SNC disclosures; statements focus on general compliance and avoid itemised discussion of any Shariah breaches or corrective measures.
Scope of governance functions highlighted	Emphasis on ex-ante product vetting and ensuring contracts avoid <i>riba</i> , <i>gharar</i> , <i>maysir</i> ; semi-annual reporting to DSN-MUI is required by regulation.	Multi-layered scope: advisory role, product approval, Shariah review, Shariah audit, Shariah risk management, training, and purification of non-halal income are all mentioned in many reports.	Dual role of advising management and certifying ongoing compliance; SAB stressed as part of a two-tier governance system (SAB + SFSB) aligned with AAOIFI/IFSB-type expectations.	Scope appears narrow in public view: approval of products and confirmation of general Shariah adherence; audit and risk-related Shariah functions are not elaborated publicly.
Form of public	Short formal statement that “operations	Structured, multi-point opinion stating that	Concise but clear opinion that all reviewed activities	Usually a single sentence or very short paragraph

assurance statement	during the year have complied with Shariah principles and DSN-MUI fatwas,” sometimes with a brief closing prayer.	contracts, transactions, and operations are Shariah-compliant; often includes statements on zakat calculation and disposal of non-permissible income.	and contracts are in accordance with Shariah rules and standards; wording often closely resembles Malaysian templates.	claiming that the bank operates in accordance with Islamic principles, without additional qualifiers or sub-points.
Depth & narrative richness (overall)	Moderate – essential assurance and reference to DSN-MUI provided, but limited narrative detail on processes, SNC, or internal deliberations.	High – richest narrative and process detail in the region; closely aligned with AAOIFI and BNM expectations for comprehensive Shariah governance disclosure.	Moderate–High – clearly aligned with international templates, but generally less voluminous than Malaysia; still shows a strong assurance-oriented narrative.	Low – minimal textual space devoted to Shariah reporting; public communication is largely formulaic and does not unpack the governance process.

1. Similarities in DPS Reporting Content and Themes

Across Indonesia, Malaysia, Brunei, and Thailand, all DPS, Shariah Committees, Shariah Advisory Bodies, or Shariah councils consistently issue an annual Shariah compliance opinion as part of their governance disclosures. This shared practice reflects the AAOIFI requirement that every Islamic financial institution produce a yearly Shariah board report outlining its opinion on compliance with Islamic law (AAOIFI, 2023). Each jurisdiction, despite differences in regulatory sophistication, includes at least a concise statement confirming that the institution’s operations and products align with Shariah principles, such as Indonesia’s reliance on DSN-MUI fatwas and Malaysia’s explicit confirmation under SAC-BNM rulings (DSN-MUI, 2020). These reports also function as public assurances to stakeholders, signaling that Shariah governance has been executed properly and that the bank’s activities remain within the required ethical and religious boundaries.

All four countries share the theme of religious framing and divine accountability, even though the depth and language vary. Most DPS reports begin with Islamic invocations such as Bismillahirrahmanirrahim or closing prayers asking for divine guidance, a pattern especially prominent in Malaysia and Brunei. Indonesia uses similar religious phrasing in shorter form, while Thailand employs simplified expressions aligned with its advisory council structure, reflecting adaptation to a minority-Islamic context (Thailand, 2016b). Despite stylistic differences, all jurisdictions embed Shariah governance within a discourse of piety, gratitude, and accountability to God.

A second shared theme is the articulation of oversight and review, where DPS describe their examination of contracts, products, policies, and transactions. Malaysian reports provide the most extensive detail, referencing review procedures, deliberation of Shariah audit findings, and structured internal Shariah control functions. Indonesia and Brunei likewise state that product structures and financing activities have been reviewed for compliance, commonly invoking DSN-MUI or national authorities as reference points. Thailand’s disclosures are brief but still affirm that the Shariah council has performed supervisory duties as mandated by the Islamic Bank of Thailand Act. This demonstrates that oversight and review form a universal core of DPS reporting in the region.

A third similarity lies in the independence and professional governance tone adopted across DPS reports. Malaysian Shariah Committees typically include explicit declarations of independence, mirroring external auditor language, that they hold no personal interest in approved transactions. Brunei and Indonesia convey independence more implicitly through formal statements of objective Shariah assessment, consistent with their national governance frameworks. Even in Thailand, available disclosures frame the council’s role as providing an independent religious opinion to the board, though

the articulation is minimal. Collectively, these variations still reflect a shared regional commitment to projecting impartiality in Shariah decision-making.

A fourth shared pattern is the reference to regulators and national Shariah authorities, which anchors DPS oversight within each country's institutional system. Indonesia consistently affirms compliance with DSN-MUI fatwas, while Malaysia prominently cites the Shariah Advisory Council of Bank Negara Malaysia as the ultimate authority. Brunei's SAB aligns with the Syariah Financial Supervisory Board under the Brunei Darussalam Central Bank, reflecting regulatory borrowing from Malaysia's model. Thailand references legal obligations under the Islamic Bank of Thailand Act and Bank of Thailand guidelines rather than an external fatwa council. Despite these institutional differences, all DPS reports situate their opinions within a recognized national regulatory framework.

Finally, all four jurisdictions share the theme of public assurance and legitimacy construction, expressed through formal declarations that the bank's operations conform to Shariah principles. Malaysia and Brunei often articulate this in extended paragraphs detailing the basis of their opinion, whereas Indonesian reports typically provide concise statements affirming Shariah adherence based on DSN-MUI rulings. Thailand issues shorter but still explicit assurance statements confirming that activities do not contravene Islamic principles as interpreted by its advisory council. Across all countries, these public assurances serve to reinforce trust, demonstrate accountability, and legitimize the institution within its religious and regulatory environment.

2. Differences in Thematic Emphasis and Narrative Style

Across the four countries, DPS reports display noticeably different intensities of religious language and symbolic piety. Malaysian and Bruneian reports typically open with the Basmala and extended praises, and close with du'a or Quranic-inflected phrases that frame the entire opinion as an act of worship and supplication. This produces a narrative that is overtly devotional while still fulfilling a formal governance function, so religious symbolism and assurance are tightly interwoven. Indonesian DPS statements, by contrast, tend to use a more factual and administrative tone, occasionally adding short prayers or blessings at the end of the letter rather than building a fully devotional opening and closing. In Thailand, any explicit religious language in public documents is minimal, so the Shariah council's role appears mainly through short compliance sentences rather than emotionally or symbolically rich expressions of piety.

The way DPS and Shariah councils describe their oversight functions and scope of review also varies substantially. Malaysian Shariah committee reports typically outline a wide range of activities, including the number of meetings, advisory sessions with management, internal Shariah reviews, Shariah audits, and staff training programmes, giving readers a granular view of governance practice. Bruneian Shariah Advisory Body reports tend to mirror this breadth of oversight but present it in a slightly more concise manner, often summarising meetings and referring clearly to the national Syariah Financial Supervisory Board as part of the review ecosystem. Indonesian DPS reports usually employ a more general formula, stating that the DPS has supervised the bank's operations and reviewed products for Shariah compliance, but providing few details on audit processes, frequencies, or specific issues deliberated. In Thailand, the Shariah council's scope is typically described in the broadest terms, with public disclosures only indicating that the council has ensured compliance, without elaborating on review mechanisms or internal Shariah control structures.

A clear gradient emerges when comparing transparency around Shariah non-compliance across the four jurisdictions. Malaysian reports are the most explicit, often specifying the number and type of SNC events identified in the period and describing rectification steps such as income purification, contract amendments, or process improvements. Bruneian DPS or SAB reports provide principle-based assurances that operations comply with Shariah and that any issues would be handled according to the Syariah Governance Framework, but rarely spell out concrete SNC cases in public documents. Indonesian DPS reports generally affirm full compliance with Shariah principles and DSN-MUI fatwas, while SNC handling is channelled through internal mechanisms and regulatory reporting to DSN-MUI or OJK rather than detailed narrative disclosure in annual reports (DSN-MUI, 2020). In Thailand, public reporting is confined to positive assurance statements that operations are in line with Islamic principles, with no explicit discussion of SNC events, their causes, or their remediation (Government of Thailand, 2002).

The same pattern of variation appears when DPS reports are compared against AAOIFI's model for Shariah Supervisory Board reporting. Malaysian and Bruneian reports are closest to the full AAOIFI template, typically covering the scope of review, clarifying the division of responsibility between management and the Shariah board, and referring to purification of non-compliant income and, where relevant, zakat calculations. Indonesian DPS opinions meet the core AAOIFI expectation of an independent statement on Shariah compliance but provide limited detail on review procedures, SNC events, or disposal of doubtful earnings, so the alignment can be characterised as partial rather than comprehensive. Thai disclosures tend to offer only a basic positive opinion that operations conform to Shariah, without elaboration on scope, methods, or purification processes, placing them well below AAOIFI's level of detail. Taken together, these differences suggest that while all four countries recognise the need for a Shariah board report, only Malaysia and Brunei systematically operationalise AAOIFI-style content in their narrative practice (AAOIFI, 2023).

3. Differences in Depth and Richness of DPS Reporting

Across the four countries, DPS reporting varies significantly in structure, length, and level of detail. Malaysian Shariah Committee reports are consistently the longest, often comprising multiple structured subsections such as an introduction, scope of review, responsibilities, findings, and final Shariah opinion. Bruneian SAB reports follow a similar organization but are generally more concise, offering clear compliance statements without extensive elaboration on meetings or audit findings (Brunei Darussalam Central Bank, 2019). Indonesian DPS statements are notably shorter, frequently limited to a one-page confirmation appended to the annual report with only brief references to supervision or product review. Thailand presents the most minimalist model, where DPS assurance often appears as a short paragraph embedded in the annual report without additional narrative on process, responsibilities, or Shariah control mechanisms (Islamic Bank of Thailand, 2022, 2023).

A comparison of reporting depth shows clear clustering between Malaysia and Brunei, which demonstrate the highest level of narrative richness, specificity, and structural clarity. Malaysia typically discloses the number of Shariah Committee meetings, attendance records, discussions of Shariah audit results, and even rectification steps taken for any Shariah non-compliance events. Brunei mirrors this approach with strong emphasis on dual-layer approval from the institution's SAB and the national Shariah Financial Supervisory Board, though its public reports tend to be slightly more succinct. Indonesia occupies an intermediate position, focusing primarily on certifying compliance with DSN-MUI fatwas and offering only brief references to oversight work without quantitative activity reporting. Thailand stands at the minimalist end of the spectrum, with reports restricted to a general statement of Shariah adherence and almost no descriptive or procedural detail, reflecting the early stage of Islamic finance governance in that jurisdiction.

4. Explaining the Variations: Regulatory and Institutional Factors

Malaysia's detailed reporting practices are strongly shaped by the Shariah Governance Framework (SGF) and Shariah Governance Policy Document (SGPD) issued in 2019, which mandate comprehensive disclosure by each bank's Shariah Committee. These regulations institutionalize the requirement for banks to report on Shariah audit findings, describe the scope of review, and disclose any Shariah non-compliance events and their rectification. As a result, Malaysian DPS reporting is highly standardized, transparent, and multi-layered, often reflecting rigorous internal audit activities throughout the year. The regulatory expectations create incentives for banks to demonstrate diligence through detailed narrative and quantitative evidence. This environment explains why Malaysian banks consistently produce the most extensive and structured Shariah Committee reports in the region (BIBD, 2016c, 2021).

Indonesia's DPS reporting reflects the country's centralized Shariah governance model, where all fatwa-making authority lies with DSN-MUI and banks implement these decisions rather than develop their own. Because product approval and Shariah interpretations are determined centrally, DPS letters primarily focus on declaring compliance with DSN-MUI rulings, reducing the need for extended narrative analysis. Detailed Shariah audit findings are submitted vertically to DSN-MUI and OJK rather than disclosed publicly, which contributes to the brevity of published DPS statements. This structure leads to a concise reporting style emphasizing conformity rather than transparency about specific

governance processes. Consequently, Indonesian DPS reports reliably affirm compliance but rarely provide the procedural depth found in Malaysian or Bruneian reporting.

Brunei's Shariah governance system exhibits strong influence from Malaysia's regulatory model and from global standards issued by AAOIFI and IFSB. The Syariah Governance Framework introduced by AMBD (now BDCB) requires each bank to maintain a Shariah Advisory Body and adhere to a structured reporting format similar to Malaysian practice. This regulatory borrowing results in SAB reports that mirror the tone, content, and organization of Malaysian Shariah Committee reports, albeit often in a slightly more concise form. The presence of a national Shariah Financial Supervisory Board further strengthens the quality and consistency of Shariah oversight across institutions. As a result, Brunei's DPS disclosures demonstrate high alignment with international best practices despite the country's smaller financial market.

The minimalism of DPS reporting in Thailand is best understood through the limited development of its Islamic financial sector and the absence of a comprehensive national Shariah governance framework. Thailand's Islamic Bank operates under a statutory Advisory Council created by the Islamic Bank of Thailand Act, but no detailed reporting obligations comparable to SGF or AAOIFI standards are mandated. As a result, public disclosures typically provide only a brief assurance of compliance without narrative on the scope of review, audit processes, or non-compliance. The small market size and limited product complexity further reduce the perceived need for extensive Shariah reporting. Overall, Thailand's minimalist approach reflects a sector still in the process of developing robust Shariah governance and disclosure norms.

AAOIFI's Governance Standard No. 1 sets clear expectations for annual Shariah Supervisory Board reporting, including disclosure of review scope, responsibilities, findings, and non-compliance details. Malaysia and Brunei show the highest conformity to these expectations, as their reports commonly include detailed scope descriptions, discussions of Shariah audit work, and statements on purification of non-compliant income. Indonesia aligns with AAOIFI at a basic level by issuing annual compliance opinions but generally lacks explicit discussion of scope, audit findings, or purification processes. Thailand demonstrates only minimal conformity, reflecting the limited regulatory emphasis on standardized Shariah disclosure. These differences indicate that AAOIFI-aligned reporting emerges most strongly in jurisdictions with mature governance frameworks and national Shariah authorities.

5. Emerging Trends: DPS Reporting in Digital Islamic Banks and Fintech

The rise of digital Islamic banks in Southeast Asia introduces new dynamics in the practice of DPS reporting. Digital institutions such as Indonesia's Bank Aladin continue to publish DPS opinions that mirror traditional banks in format and content, indicating strong continuity in Shariah governance structures. However, digital banks tend to offer shorter and more streamlined disclosures, often through web-based channels rather than lengthy annual reports, raising questions about future standardization. Regulatory regimes in Malaysia, Brunei, and Indonesia appear poised to impose the same Shariah governance requirements on digital banks as on conventional Islamic banks, ensuring that DPS oversight remains rigorous across all platforms. Thailand, with its relatively limited digital Islamic finance ecosystem, is less likely to enforce similar reporting depth in the near term until broader governance reforms are introduced.

How DPS Express and Communicate Their Religious Governance Roles

Across Southeast Asia, DPS express their religious governance role through a fusion of devotional language and formal compliance assertions, a pattern consistent with discourse analyses showing that Shariah Supervisory Board (SSB) reports deliberately employ piety-laden rhetoric to construct credibility (Ermawati et al., 2021). Malaysian and Bruneian reports frequently begin with Bismillahirrahmanirrahim and close with prayers, aligning with findings that Islamic governance disclosures tend to integrate symbolic piety with institutional messaging to strengthen perceived accountability (Nugroho et al., 2022; Suryani et al., 2024). Indonesian DPS reports adopt shorter expressions of gratitude but still indicate divine accountability, a feature of Islamic social and ethical reporting noted widely in Indonesian banks (Najah et al., 2023). Thailand provides the most minimal religious framing, reflecting the weaker normative pressure identified in emerging Islamic finance jurisdictions (Fujianti et al., 2023). Despite stylistic variation, the cross-country pattern supports the argument that DPS disclosures frame Shariah

governance as both a spiritual duty and a public assurance mechanism (Ermawati et al., 2021; Suryani et al., 2024a).

DPS also communicate their governance role through descriptions of review activities, though the depth varies markedly across institutional settings. Malaysian Shariah Committees routinely detail contract vetting, product review, internal audit deliberations, and meeting frequency, findings consistent with research showing that Malaysia exhibits the region's most transparent SSB activity reporting (Gusrianti & Sari, 2023; Rahmawati et al., 2024). Brunei mirrors Malaysia's structure but conveys oversight using more concise descriptions, consistent with studies demonstrating Brunei's moderate but well-aligned Shariah governance practices (Tajuddin, 2024). Indonesian DPS reports typically provide general affirmations of compliance with DSN-MUI fatwas without elaborate process descriptions, aligning with evidence that Indonesian governance emphasizes doctrinal conformity rather than procedural transparency (Pessiwarisa & Kasri, 2025). Thailand offers the briefest articulation, consistent with institutional analyses concluding that Thailand's Islamic banking ecosystem is still in an early stage of governance development (Fujianti et al., 2023). Despite these differences, all DPS ultimately issue formal Shariah compliance opinions, which remain the central communicative function across jurisdictions (Ermawati et al., 2021; Suryani et al., 2024).

Islamic Accountability Theory offers a direct explanation for the persistent presence of devotional language and ethical framing in DPS reports, as it conceptualizes DPS as bodies accountable "upward to Allah" and "outward to stakeholders," a duality reflected in empirical studies of Islamic governance practices across Indonesia and Malaysia (Nugroho et al., 2022; Suryani et al., 2024b). This theoretical lens aligns with AAOIFI expectations for Shariah boards to issue transparent and spiritually anchored opinions, reinforcing the view that piety and compliance co-constitute DPS messaging (AAOIFI GSIFI No.1; Rahmawati et al., 2024). Legitimacy Theory explains why DPS adopt specific rhetorical strategies, such as invocations, references to regulators, and formal assurances, to construct moral and pragmatic legitimacy, a technique observed in multiple empirical analyses of Islamic bank disclosures (Tajuddin, 2024). Institutional Theory further clarifies cross-national variation by showing that normative pressures dominate in Malaysia and Brunei, coercive pressures dominate in Indonesia through DSN-MUI centralization, and weak institutional pressures characterize Thailand's brief reporting style (Alam & Miah, 2024; Fujianti et al., 2023). These theories collectively illuminate why DPS reporting blends piety, procedure, and institutional compliance.

Taken together, DPS communication across Southeast Asia reflects the intersection of spiritual obligation, legitimacy construction, and institutional conditioning. Islamic Accountability Theory explains the devotional undertones that appear consistently across DPS reports, demonstrating how divine accountability shapes public declarations of compliance (Suryani et al., 2024; Nugroho et al., 2022). Legitimacy Theory clarifies why DPS emphasise oversight functions, review activities, and regulator alignment to strengthen stakeholder trust, as noted in cross-country disclosure studies (Ermawati et al., 2021; Gusrianti & Sari, 2023a). Institutional Theory accounts for the structural differences in disclosure depth, demonstrating how varying regulatory maturity produces divergent reporting patterns between Malaysia, Indonesia, Brunei, and Thailand (Alam & Miah, 2024; Fujianti et al., 2023; Pessiwarisa & Kasri, 2025). Overall, DPS articulate their religious governance roles through a layered combination of divine accountability, legitimacy-seeking communication, and institutionally shaped disclosure practices that align with both national and international Shariah governance expectations.

Similarities and Differences in DPS Reporting Practices Across Countries

Across Southeast Asia, DPS reports display several thematic similarities, including annual Shariah opinions, religious framing, and statements of oversight responsibility, aligning with findings that SSB disclosures consistently blend devotional and professional rhetoric to assert compliance (Ermawati et al., 2021; Mukhibad et al., 2022). Malaysia and Brunei articulate these themes using rich invocations and detailed review narratives, consistent with AAOIFI-aligned reporting expectations highlighted by Wani and Dar (2022) and supported by comparative evidence showing high transparency in the two jurisdictions (Gusrianti & Sari, 2023b; Wani & Dar, 2022). Indonesia adopts more concise compliance affirmations but still reflects Islamic accountability norms, consistent with studies showing Indonesian DPS rely heavily on doctrinal legitimacy through DSN-MUI (Najah et al., 2023; N. Puspitasari & Kasri, 2023). Thailand provides the briefest articulation but continues to affirm supervisory functions,

reflecting early-stage governance maturity similar to patterns found in emerging Islamic finance systems (Permatasari & Suprayogi, 2023; Tekdogan et al., 2024). Across all jurisdictions, expressions of independence and professionalism appear, most explicitly in Malaysia, reflecting broader regional alignment with both statutory expectations and AAOIFI-influenced standards (Rahmawati et al., 2024; Ahmad et al., 2023).

Despite these shared foundations, the depth and specificity of DPS disclosures vary considerably across countries. Malaysia provides the most comprehensive detail, reporting meeting frequencies, Shariah audit deliberations, and explicit Shariah non-compliance (SNC) events, consistent with empirical findings that Malaysian Islamic banks demonstrate the region's highest disclosure transparency (Gusrianti & Sari, 2023; Rahmawati et al., 2024). Brunei presents a similar structure but with fewer quantitative disclosures, maintaining a principle-based assurance style aligned with moderate governance maturity identified in Southeast Asian CSR studies (Permatasari & Suprayogi, 2023; Tajuddin, 2024). Indonesia rarely discloses SNC data and relies instead on overarching DSN-MUI conformity, mirroring patterns of centralized coercive governance described in Indonesian Shariah governance research (Najah & Andraeny, 2023; Puspitasari & Kasri, 2023). Thailand offers the sparsest disclosures, reflecting weak institutional pressures and a nascent governance ecosystem similar to patterns documented in newer Islamic finance jurisdictions (Tekdogan & Burgazoglu, 2024; Fujianti et al., 2023). These variations clearly map onto differing institutional maturity levels, with Malaysia and Brunei exhibiting AAOIFI-aligned models, Indonesia reflecting partial alignment, and Thailand remaining minimally institutionalized.

Islamic Accountability Theory explains why all countries, regardless of governance maturity, maintain core elements such as annual Shariah opinions and religious framing, as these features communicate both divine and public accountability central to Islamic governance systems (Katili et al., 2025; Mukhibad, 2018). This dual-accountability structure is reinforced by AAOIFI, which requires formal annual SSB opinions grounded in both procedural review and spiritual obligation (Wani & Dar, 2022). Legitimacy Theory further clarifies why Malaysia and Brunei articulate highly detailed narratives, since mature governance fields produce stronger normative and pragmatic pressures to demonstrate diligence, transparency, and ethical conformity (Ermawati et al., 2021; Najah & Andraeny, 2023). Indonesia relies more on regulatory legitimacy through DSN-MUI, reducing incentives for granular disclosure, while Thailand's limited articulation reflects low stakeholder pressure and weak institutional expectations in emerging markets (Puspitasari & Kasri, 2023; Tekdogan & Burgazoglu, 2024). Institutional Theory thus explains cross-country divergence: Malaysia and Brunei reflect strong normative and mimetic isomorphism, Indonesia reflects centralized coercive pressure, and Thailand reflects weak institutionalization (M. Alam & Miah, 2024; Fujianti et al., 2023).

Taken collectively, these theoretical perspectives offer a coherent explanation for the simultaneous convergence and divergence in DPS reporting across Southeast Asia. Shared elements, such as religious invocations, annual opinions, and formal oversight statements, reflect foundational Islamic accountability norms common across the region's governance discourse (Mukhibad et al., 2022; Katili & Kadir, 2025). Differences arise because each national system faces distinct institutional pressures, legitimacy expectations, and regulatory sophistication, a pattern consistent with comparative governance analysis in Malaysia, Indonesia, and Brunei (Rahmawati et al., 2024; Permatasari & Suprayogi, 2023). Malaysia and Brunei's detailed disclosures thus represent mature institutional environments shaped by AAOIFI and national Shariah councils, while Indonesia's concise narrative reflects centralized fatwa authority and a doctrinally anchored reporting culture (Najah & Andraeny, 2023; Puspitasari & Kasri, 2023). Thailand's minimalism signals early-stage governance development where legitimacy and institutional pressures remain limited (Tekdogan & Burgazoglu, 2024; Fujianti et al., 2023). Overall, DPS reporting practices in Southeast Asia are shaped by intertwined dynamics of spiritual obligation, institutional structure, and strategic legitimacy construction.

CONCLUSION

This study examined how Dewan Pengawas Syariah (DPS) express and communicate their religious governance roles across Islamic banks in Southeast Asia by analyzing formal DPS reports and related governance documents from Indonesia, Malaysia, Brunei Darussalam, and Thailand. The findings show that DPS consistently construct their role through a combination of devotional language, compliance

declarations, and the articulation of oversight responsibilities, reflecting a shared foundation of Islamic accountability. While religious expressions vary in richness and placement, all jurisdictions employ them to signal ethical integrity and alignment with divine and public expectations. Oversight narratives likewise form a core part of DPS communication, although the depth of disclosure differs substantially across countries. Collectively, these patterns reveal that DPS reports function as both spiritual statements and institutional instruments of governance.

The comparative analysis demonstrates significant regional convergence in core reporting elements but considerable divergence in reporting depth, narrative style, and transparency. Malaysia and Brunei demonstrate the most comprehensive and AAOIFI-aligned disclosures, providing detailed information on meetings, Shariah audit deliberations, and even Shariah non-compliance events. Indonesia adopts a more concise and doctrinally anchored style that emphasizes conformity with DSN-MUI resolutions but offers limited procedural detail. Thailand presents the most abbreviated reporting model, reflecting the early institutional development of its Islamic finance ecosystem. These findings underscore that shared religious foundations do not eliminate differences generated by institutional maturity, regulatory frameworks, and national governance cultures.

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