

[< Back to results](#) | 1 of 1[Download](#) [Print](#) [Save to PDF](#) [Add to List](#) [Create bibliography](#)***Journal of Governance and Regulation*** • [Open Access](#) • Volume 13, Issue 2 (special issue), Pages 267 - 274 • 2024**Document type**Article • [Gold Open Access](#)**Source type**

Journal

ISSN

22209352

DOI

10.22495/jgrv13i2siart3

[View more](#)

THE CONNECTION BETWEEN ROBUST LEGAL INSTRUMENTS AND THE EXCEPTIONAL PERFORMANCE OF THE ISLAMIC BANKING INDUSTRY

Triyanta, Agus^a; Hassan, Rusni^b[Save all to author list](#)^a Universitas Islam Indonesia, Yogyakarta, Indonesia^b International Islamic University Malaysia, Kuala Lumpur, Malaysia[View PDF](#) [Full text options](#) [Export](#) [Abstract](#)[Author keywords](#)[Sustainable Development Goals](#)[SciVal Topics](#)[Metrics](#)

Abstract

This study investigates the pivotal role of robust legal instruments in driving the outstanding performance of Malaysia's Islamic banking industry. Our primary objective is to discern the correlation between the regulatory framework's legal strength and the industry's achievements. To achieve this, we embark on a comprehensive exploration of the historical progression of Islamic banking in Malaysia. We scrutinize the dynamics and milestones that have shaped the industry, with particular emphasis on its impressive growth. We then delve into the development of the regulatory frameworks, analyzing how the availability of strong legal instruments has contributed to the sector's triumph. This

Cited by 0 documents

Inform me when this document is cited in Scopus:

[Set citation alert >](#)

Related documents

[The role of ombudsman: Resolving financial disputes in Malaysia](#)[Mohd Zain, M.I. , Rahmat, N.E. , Ilias, I.I. \(2022\) *Conflict Resolution Quarterly*](#)[Regulation of investment transactions in Islamic law](#)[Shovkhalov, S.A. , Abdulmuslimov, M.R. \(2022\) *Voprosy Ekonomiki*](#)[Reforming Islamic Finance: Why and How?](#)[Hassan, R. \(2020\) *Journal of King Abdulaziz University, Islamic Economics*](#)[View all related documents based on references](#)[Find more related documents in Scopus based on:](#)[Authors >](#) [Keywords >](#)

study finding the presence of robust legal instruments has been a catalyst for the ascension of Malaysia's Islamic banking industry. Coupled with accommodating regulations and responsive regulatory institutions, these legal foundations have underpinned the sector's remarkable success. This study underscores the critical importance of having sufficient legal instruments to nurture the Islamic banking industry. We recommend that governments aspiring to bolster Islamic banking's performance consider the provision of such legal frameworks. Consequently, this research carries significant implications for policymakers and industry stakeholders alike, offering insights into the essential ingredients for fostering a thriving Islamic banking sector. © 2024 The Authors.

Author keywords

Exceptional Performance; Islamic Banking; Legal Instruments; Malaysia; Regulatory Frameworks

Sustainable Development Goals  

SciVal Topics  

Metrics 

References (42)

[View in search results format >](#)

All

[Export](#)  [Print](#)  [E-mail](#)  [Save to PDF](#) [Create bibliography](#)

- 1 *Objectives*. Cited 5 times.
(n.d). Retrieved December 19, 2022, from
<https://aaofi.com/objectives/?lang=en>

-
- 2 Akram Laldin, M.
Islamic financial system: The Malaysian experience and the way forward

(2008) *Humanomics*, 24 (3), pp. 217-238. Cited 47 times.
doi: 10.1108/08288660810899377

[View at Publisher](#)

-
- 3 AlAbbad, A., Hassan, M.K., Saba, I.
Can Shariah board characteristics influence risk-taking behavior of Islamic banks?

(2019) *International Journal of Islamic and Middle Eastern Finance and Management*, 12 (4), pp. 469-488. Cited 42 times.
<http://www.emeraldgrouppublishing.com/imefm.htm>
doi: 10.1108/IMEFM-11-2018-0403

[View at Publisher](#)
-

- 4 Ali, E.R.A.E., Oseni, U.A., Adeyemi, A.A., Zain, N.R.B.M.
Dispute resolution mechanisms in the Islamic finance industry in Malaysia: Towards a legal framework

(2015) *Al-Shajarah*, 20 (Specialissue), pp. 19-40. Cited 7 times.
<http://journals.iium.edu.my/shajarah/index.php/shaj/issue/archive>
-
- 5 *Member banks*. Cited 3 times.
(n.d)
<https://aibim.com/members>
-
- 6 *Background*. Cited 218 times.
(n.d). Retrieved December 19, 2022, from
<https://www.asas.my/school-info/background/>
-
- 7 Azahari, F.
Islamic banking: Perspectives on recent case development
(2009) *Malayan Law Journal*, 1, pp. 91-128. Cited 3 times.
<http://198.101.238.229/itresury/html/download/MLJ%20Article.pdf>
-
- 8 Aziz, R. A., Abdul-Rahman, A., Markom, R.
Best practices for internal Shariah governance framework: Lessons from Malaysian Islamic banks
(2019) *Asian Journal of Accounting & Governance*, 12, pp. 37-49. Cited 12 times.
<https://doi.org/10.17576/AJAG-2019-12-15>
-
- 9 Azman, A. H. M., Sapri, M. S. M., Romli, M. F., Hambali, M. Z.
(2023) *A comparative study on knowledge attitude and readiness to comply with shariah law towards Islamic banking product and services among students of different races in Universiti Malaysia Kelantan [Bachelor thesis, Universiti Malaysia Kelantan]*. Cited 2 times.
Universiti Malaysia Kelantan Institutional Repository (UMK IR)
<http://discol.umk.edu.my/id/eprint/11780/1/Final%20Year%20Research%20Project%20%28PPTA%2011%29%20AFS4113%20Group%2049.pdf>
-
- 10 *The Basel Committee — Overview*. Cited 3 times.
(n.d). Retrieved December 20, 2022, from
<https://www.bis.org/bcbs/>
-

- 11 *Legislation*. Cited 278 times.
(n.d)
<https://www.bnm.gov.my/legislation>
-
- 12 Dahlan, N.K., Md. Said, M.H., Rajamanickam, R.
Mediation: practice in the corporate world

(2021) *UUM Journal of Legal Studies*, 12 (2), pp. 51-67. Cited 9 times.
uunjls.uum.edu.my

View at Publisher
-
- 13 Domat, C.
Islamic finance: Just for Muslim-majority nations?
(2024) . Cited 6 times.
(January 1). *Global Finance*
<https://www.gfmag.com/topics/blogs/islamic-finance-just-muslim-majority-nations>
-
- 14 Haron, S., Shanmugam, B.
(1997) *Islamic banking system: Concepts & applications*. Cited 45 times.
Pelanduk Publications
-
- 15 Hasan, A.N., Abdul-Rahman, A., Yazid, Z.
Shariah governance practices at Islamic fund management companies

(2020) *Journal of Islamic Accounting and Business Research*, 11 (2), pp. 309-325. Cited 11 times.
<http://emeraldgrouppublishing.com/products/journals/journals.htm?id=jiabr>
doi: 10.1108/JIABR-03-2017-0045

View at Publisher
-
- 16 Hassan, R., Kassim, S., Bakar, E. A.
Alternative dispute resolution in the Malaysian consumer credit industry with special reference to ombudsman for financial services
(2017) *Proceeding: International Business Management Conference (IBMC 2017)*, pp. 192-202. Cited 2 times.
Global Business Entrepreneurship (GBE)
<http://surl.li/phjrg>
-
- 17 Hassan, R., Othman, A. A., Salleh, S., Hussain, M. A.
(2016) *Islamic banking and takaful*. Cited 17 times.
(3rd ed). Pearson
-

- 18 Hasshan, H.
Islamic finance litigation: Problems within the Malaysian civil courts structure
(2016) *Jurnal Undang-Undang dan Masyarakat*, 20, pp. 33-42. Cited 6 times.
<https://journalarticle.ukm.my/12982/1/26336-79273-1-SM.pdf>
-
- 19 Hasshan, H.
Islamic finance litigation in Malaysia: An overview
(2017) *Current Law Journal*, 3, pp. 1-11.
https://www.researchgate.net/publication/315516496_Islamic_Finance:Litigation_In_Malaysia_An_Overview
-
- 20 Hikmany, A.-N.H.R., Oseni, U.A.
Dispute resolution in the Islamic banking industry of Tanzania: learning from other jurisdictions

(2016) *International Journal of Islamic and Middle Eastern Finance and Management*, 9 (1), pp. 125-142. Cited 9 times.
<http://www.emeraldgrouppublishing.com/imefm.htm>
doi: 10.1108/IMEFM-09-2014-0093

View at Publisher
-
- 21 Hollingdale, M.
Mediation in the Resources Sector: 'Alternative' Dispute Resolution or Now the Norm?

(2015) *Ius Gentium*, 43, pp. 101-124.
www.springer.com/series/7888
doi: 10.1007/978-3-319-17452-5_7

View at Publisher
-
- 22 Ilias, I., Hassan, R., Kassim, S., Bakar, E.A.
Consumer Credit Grievance And Redress Mechanisms: The Malaysia Perspective

(2021) *UUM Journal of Legal Studies*, 12 (2), pp. 61-88. Cited 2 times.
uumjls.uum.edu.my
doi: 10.32890/UUMJLS2021.12.2.4

View at Publisher
-
- 23 *About IIFM*
(n.d) Retrieved December 19, 2022, from
<https://www.iifm.net/about-iifm/corporate-profile>
-

- 24 (2022) *Islamic finance development report 2022*. Cited 30 times.
https://icd-ps.org/uploads/files/ICD%20Refinitiv%20ifdi-report-20221669878247_1582.pdf
-
- 25 (2022) *Islamic financial services stability report 2022*. Cited 95 times.
-
- 26 Khan, M. B. A., Zakaria, M. R. A.
Arbitration in domestic and international takeovers & mergers of companies
(2017) *International Conference on Dispute Resolution 2017 — Modern Trends in Effective Dispute Resolution*
IIUM Repository (IRep)
<http://irep.iium.edu.my/58737/>
-
- 27 Kitamura, H.
Who pioneered Islamic banking in Malaysia? The background of the pioneers of Bank Islam Malaysia Berhad

(2020) *Contemporary Islam*, 14 (1), pp. 75-93. Cited 6 times.
<http://www.springer.com/west/home?SGWID=4-102-70-138979249-0&changeHeader=true>
doi: 10.1007/s11562-019-00443-w

View at Publisher
-
- 28 Lee, M. J., Oseni, U.
IFSA 2013: Commentaries on Islamic banking and finance
(2015) *The Malayan Current Law Journal*. Cited 4 times.
http://irep.iium.edu.my/47306/1/IFSA_2013.pdf
-
- 29 Mohd Zain, M.I., Rahmat, N.E., Ilias, I.I.
The role of ombudsman: Resolving financial disputes in Malaysia

(2022) *Conflict Resolution Quarterly*, 40 (2), pp. 199-212.
[http://onlinelibrary.wiley.com/journal/10.1002/\(ISSN\)1541-1508](http://onlinelibrary.wiley.com/journal/10.1002/(ISSN)1541-1508)
doi: 10.1002/crq.21366

View at Publisher
-
- 30 Nakagawa, R.
Deliberate policy implementation for promoting debt securities markets: The case of Malaysia
(2019) *The Economic Review of Toyo University*, 44 (2), pp. 1-18.
https://toyo.repo.nii.ac.jp/record/10743/files/keizaironshu44-2_001-018.pdf
-

- 31 Oseni, U. A., Ahmad, A. U. F.
Dispute resolution in Islamic finance: A case analysis of Malaysia
(2015) *Ethics, governance and regulation in Islamic finance*, pp. 125-134. Cited 4 times.
H. A. El-Karanshawy, A. Omar, T. Khan, S. S. Ali, H. Izhar, W. Tariq., K. Ginena, & B. A. Quradaghi (Eds, -). Bloomsbury Qatar Foundation
<https://ibir-api.hbku.edu.qa/sites/default/files/2019-10/Dispute%20resolution%20in%20islamic%20finance.pdf>
-
- 32 Razad, A. M. A.-W.
(2003) *Pembiayaan hutang: Kajian perbandingan di Bank Muamalat Malaysia Berhad (BMMB) [Debt financing: A comparative study at Bank Muamalat Malaysia Berhad (BMMB)]*
[Doctoral dissertation, University of Malaya]. Institutional Repository Discovery Service
<http://aunilo.uum.edu.my/Find/Record/my.um.stud.1435/Details>
-
- 33 Rethel, L.
(2020) *The political economy of financial development in Malaysia: From the Asian crisis to IMDB*. Cited 5 times.
(1st ed). Routledge
<https://doi.org/10.4324/9780429029004>
-
- 34 *Rules for Arbitration of Kuala Lumpur Regional Centre for Arbitration (Islamic Banking and Financial Services)*. Cited 2 times.
<https://citeseerx.ist.psu.edu/document?repid=rep1&type=pdf&doi=8086a36c4c19a83289fbc152377f5c4df879a6fd>
-
- 35 *About the SC*
(n.d.-a). Retrieved December 19, 2022, from
<https://www.sc.com.my/about/about-the-sc>
-
- 36 *FAQ for securities industry dispute resolution center (SIDREC)*
(n.d.-b)
<https://www.sc.com.my/regulation/regulatory-faqs/faq-for-securities-industry-dispute-resolution-center-sidrec>
-
- 37 Trakic, A., Benson, J., Ahmed, P. K.
(2019) *Dispute resolution in Islamic finance: Alternatives to litigation*
(Eds). (1st ed). Routledge
<https://doi.org/10.4324/9781351188913>
-

- 38 Triyanta, A., Hassan, R., Ali, M., Thontowi, J.
Legal policy and the exemplary growth of Islamic banking business: The case of Malaysia
(2023) *International Journal of Law and Politics Studies*, 5 (1), pp. 55-62.
<https://doi.org/10.32996/ijlps.2023.5.1.7>

- 39 Uluyol, B.
A comprehensive empirical and theoretical literature survey of Islamic bonds (sukuk) ([Open Access](#))

(2023) *Journal of Sustainable Finance and Investment*, 13 (3), pp. 1277-1299. Cited 14 times.
[tandfonline.com/tsf](https://www.tandfonline.com/tsf)
doi: 10.1080/20430795.2021.1917224

View at Publisher

- 40 Yakcop, N. M.
Developing an Islamic banking system, the Malaysian model [Conference presentation]
(2003) *International Islamic Banking Conference*

- 41 Yustiardi, A. F., Diniyya, A. A., Faiz, F. A. A., Subri, N. S., Kurnia, Z. N.
Issues and challenges of the application of mudarabah and musharakah in Islamic bank financing products
(2020) *Journal of Islamic Finance*, 9 (2), pp. 26-41. Cited 10 times.
<https://journals.iium.edu.my/iiibf-journal/index.php/jif/article/view/482/205>

- 42 Zain, N.R.M., Engku Ali, E.R.A.
The introduction of the financial ombudsman scheme as an alternative to dispute resolution in the islamic financial services industry in Malaysia ([Open Access](#))

(2016) *Al-Shajarah*, 21 (Specialissue), pp. 243-260. Cited 2 times.
<http://journals.iium.edu.my/shajarah/index.php/shaj/issue/archive>

👤 Triyanta, A.; Universitas Islam Indonesia, Yogyakarta, Indonesia

© Copyright 2024 Elsevier B.V., All rights reserved.

About Scopus

[What is Scopus](#)

[Content coverage](#)

[Scopus blog](#)

[Scopus API](#)

[Privacy matters](#)

Language

[日本語版を表示する](#)

[查看简体中文版本](#)

[查看繁體中文版本](#)

[Просмотр версии на русском языке](#)

Customer Service

[Help](#)

[Tutorials](#)

[Contact us](#)

ELSEVIER

[Terms and conditions](#) ↗ [Privacy policy](#) ↗ [Cookies settings](#)

All content on this site: Copyright © 2024 Elsevier B.V. ↗, its licensors, and contributors. All rights are reserved, including those for text and data mining, AI training, and similar technologies. For all open access content, the Creative Commons licensing terms apply.

We use cookies to help provide and enhance our service and tailor content. By continuing, you agree to the use of cookies ↗.

