

## **Shari'ah Governance in Islamic Banking and Finance - A Comparison Between Malaysia and Other Selected Countries, Current Challenges and Potential Solution**

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**Abstract :** As a role model and leading country in the world that establishes and promotes Islamic banking and finance, Malaysia has set up and come up with a set of standards and frameworks to govern its Shari'ah function towards implementing the desired outcome of Islamic banking and finance as new source of wealth creation. This paper, examines and highlights, at the very minimum, the importance and application of Shari'ah governance in Islamic banking and finance in Malaysia as a leading country in Islamic banking and finance. This paper also, compares on Shari'ah governance, which is being adopted between Malaysia and other selected countries namely, Pakistan, Bahrain, Kuwait, United Arab Emirates (UAE) and Qatar. This paper also, aims at highlighting the current challenges and issues faced by the scholars in Shari'ah Supervisory Board (SSB) in deliberating their opinions and fatwa towards the implementation of new products in Islamic banking industry to promote innovation among the industry players. The author of this paper will highlight the major challenges and issues faced by the SSB members of Islamic banks in Malaysia, taking into account the complexity of the operation wise and products of Islamic banking, and how they overcome those challenges and issues identified. This will be done through a series of face-to-face interview sessions which will be conducted with a few prominent figures of Islamic banking and finance scholars in Malaysia to highlight the issues and challenges they are facing towards Islamic financial innovation and subsequently finding solutions for the identified issues and challenges.

**Keywords :** Shari'ah governance, Shari'ah supervisory board (SSB), Issues and challenges, Islamic financial innovation

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