SHARI’AH GOVERNANCE DISCLOSURE INDEX: AN IDEAL INDICATOR FOR ISLAMIC FINANCIAL INSTITUTIONS

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**Abstract.** The purpose of this study is to develop the checklist of Shari’ah governance disclosure for Islamic Financial Institutions (IFIs) especially Islamic banks in Malaysia. The checklist is used for content analysis which derived from the text in annual report of Islamic banks to find the total scoring of disclosure. In developing the checklist, the study has adopted and adjusted from the checklist of prior studies. This measurement of checklist is also established from frameworks of Shari’ah Governance Framework 2010 and Shari’ah Governance Policy Documents 2019 by Bank Negara Malaysia. The argument for this study is that disclosure of Islamic banks should have their own unique checklists according to adopted frameworks of their own organizations. Hence, it is important to develop checklist to ensure the Shari’ah compliance in the organizations. The checklist is very useful for future studies on checking the level of disclosure among Islamic financial institutions (IFIs).

**Keywords:** Shari’ah Governance, Disclosure, Index, Indicators