

Construction of Dispute Resolution for Problematic Financing Agreements in Islamic Banks Through Collateral Auction Execution

Mugni Muhit^{1*}, Yadi Janwari², Deni Kamaludin Yusup³, Mohamad Sar'an⁴

¹STAI Al Ma'arif Ciamis

^{2,3,4}UIN Sunan Gunung Djati Bandung

Corresponding Author: Mugni Muhit: mugnimuhit77@gmail.com

ARTICLE INFO

Keywords: Islamic Banking, Dispute Resolution, Problematic Financing, Collateral Auction, Islamic Law, Banking Regulation

Received : 12 January

Revised : 23 February

Accepted: 26 March

©2026 Muhit, Janwari, Yusup, Sar'an (s): This is an open-access article distributed under the terms of the [Creative Commons Attribution 4.0 International](https://creativecommons.org/licenses/by/4.0/)



ABSTRACT

The rapid growth of Islamic banking in Indonesia has been accompanied by increasing cases of problematic financing (non-performing financing/NPF), necessitating effective dispute resolution mechanisms that comply with Islamic law principles while adhering to national banking regulations. This study aims to construct an optimal dispute resolution framework for problematic financing agreements in Islamic banks through collateral auction execution, analyzing the integration of Islamic law principles with Indonesian legal system. This research employs a normative legal research methodology with a conceptual approach, comparative analysis, and case study examination. Data collection involves library research, regulatory analysis, and interviews with Islamic banking practitioners and legal experts. The study analyzes current legal frameworks, Islamic jurisprudence (fiqh) principles, and practical implementation challenges. The research reveals significant gaps in the current dispute resolution mechanisms for Islamic banking financing disputes. The study proposes a comprehensive framework integrating maqashid al-shariah principles with procedural justice, establishing clear guidelines for collateral execution while maintaining compliance with both Islamic law and Indonesian banking regulations. An effective dispute resolution construction requires harmonization between Islamic law principles and national legal frameworks, with emphasis on alternative dispute resolution mechanisms that prioritize justice, transparency, and efficiency while protecting the interests of all stakeholders.

INTRODUCTION

Background

The Islamic banking industry has experienced remarkable growth globally, with assets reaching over \$3.69 trillion in 2021 and projected to exceed \$4.94 trillion by 2025 (Islamic Financial Services Board, 2022). In Indonesia, Islamic banking assets have grown substantially, reaching IDR 608.9 trillion in 2022, representing approximately 6.51% of the total national banking assets (Otoritas Jasa Keuangan, 2023). This growth trajectory, while positive, has been accompanied by increasing challenges in financing management, particularly in handling problematic financing cases.

Problematic financing, known as Non-Performing Financing (NPF) in Islamic banking terminology, has become a critical concern for the sustainability and stability of Islamic financial institutions. The NPF ratio in Indonesian Islamic banking reached 3.25% in 2022, requiring effective resolution mechanisms to maintain financial stability and protect stakeholder interests (Bank Indonesia, 2023). Unlike conventional banking systems that rely primarily on interest-based calculations and secular legal frameworks, Islamic banking operates under Shariah principles that prohibit *riba* (usury), *gharar* (excessive uncertainty), and *maysir* (gambling), creating unique challenges in dispute resolution processes.

Problem Statement

The current dispute resolution mechanisms for problematic financing in Islamic banks face several critical academic and practical problems:

First, the legal framework gap: There exists an inherent tension between Islamic law principles and Indonesian national legal system in handling financing disputes. The dual legal system creates ambiguity in determining applicable legal principles, particularly in collateral execution processes where Islamic law requires adherence to justice (*'adl*) and fairness principles, while national banking regulations prioritize efficiency and legal certainty.

Second, the procedural complexity: Current collateral auction execution procedures often fail to accommodate Islamic law requirements for transparency, mutual consent, and fair valuation. The conventional auction system may not align with Islamic principles of *Bay' al-Muzayadah* (*auction sale*) as prescribed in classical Islamic jurisprudence.

Third, the stakeholder protection inadequacy: Existing mechanisms inadequately balance the protection of various stakeholders' rights, including depositors, financing customers, and the Islamic bank itself, while maintaining compliance with Shariah principles and regulatory requirements.

Fourth, the alternative dispute resolution underutilization: Despite Islamic law's emphasis on *sulh* (*amicable settlement*) and *tahkim* (*arbitration*), current practices predominantly rely on litigation through conventional courts, which may not fully comprehend Islamic banking complexities.

Research Objectives

This study aims to:

1. Analyze the current legal framework governing dispute resolution for problematic financing in Islamic banks

2. Examine the integration of Islamic law principles with Indonesian banking regulations in collateral execution processes
3. Construct an optimal dispute resolution framework that harmonizes Shariah principles with legal certainty requirements
4. Propose practical implementation strategies for effective collateral auction execution in Islamic banking.

Research Significance

This research contributes to the academic discourse on Islamic banking law by providing a comprehensive framework for dispute resolution that addresses the unique challenges of Islamic financial institutions. The study's practical significance lies in its potential to enhance the efficiency and effectiveness of problematic financing resolution while maintaining Shariah compliance, thereby strengthening the stability and sustainability of the Islamic banking sector.

LITERATURE REVIEW

Theoretical Framework

Islamic Law Principles in Banking Disputes

Islamic banking operates under fundamental principles derived from the Quran and Sunnah, which significantly influence dispute resolution mechanisms. The principle of justice (*'adl*) requires fair treatment of all parties involved in financing agreements (Al-Zuhayli, 2003). The concept of *maslaha* (*public interest*) guides decision-making processes to ensure outcomes benefit society while maintaining Shariah compliance (Kamali, 2008).

Contemporary scholars have extensively discussed the application of Islamic dispute resolution principles in modern banking contexts. Vogel and Hayes (1998) emphasize that Islamic banking disputes must be resolved through mechanisms that preserve the sanctity of contracts while ensuring equitable treatment of all parties. Similarly, El-Gamal (2006) argues that dispute resolution in Islamic finance should prioritize substance over form, focusing on the underlying economic reality rather than merely technical compliance.

Collateral and Guarantee in Islamic Law

The concept of collateral (*rahn*) in Islamic law is well-established, with detailed provisions in classical jurisprudence texts. Ibn Rushd (1996) explains that *rahn* serves as security for debt repayment while preserving the debtor's ownership rights until default occurs. Modern scholars like Ayub (2007) have adapted these classical principles to contemporary banking practices, emphasizing the need for clear procedures that balance creditor protection with debtor rights.

The execution of collateral through auction mechanisms (*bay' al-muzayadah*) requires adherence to specific Islamic law requirements, including transparency, fair market valuation, and protection of surplus proceeds for the debtor (Usmani, 2002). These principles create unique challenges when integrated with conventional legal frameworks that prioritize efficiency and legal certainty over distributive justice considerations.

Previous Research

International Studies

Recent international research has examined various aspects of Islamic banking dispute resolution. Ahmed et al. (2021) conducted a comparative study of dispute resolution mechanisms in Malaysia, UAE, and Bahrain, finding significant variations in legal frameworks and implementation strategies. Their research highlighted the importance of specialized Islamic banking courts and arbitration centers in providing effective dispute resolution services.

Khan and Ahmad (2020) analyzed the role of Shariah advisory boards in dispute resolution processes across different jurisdictions. Their findings suggest that active involvement of Shariah scholars in dispute resolution significantly improves the quality and acceptability of outcomes among Islamic banking stakeholders.

Mansour and Hassan (2019) examined the effectiveness of alternative dispute resolution mechanisms in Islamic banking, comparing mediation, arbitration, and litigation outcomes. Their research demonstrated that alternative mechanisms generally provide faster, more cost-effective, and more satisfactory resolutions while maintaining better relationships between parties.

Indonesian Context Studies

In the Indonesian context, several researchers have examined Islamic banking dispute resolution mechanisms. Anshori (2018) analyzed the role of Religious Courts in handling Islamic banking disputes, identifying significant challenges in judicial capacity and understanding of Islamic banking complexities. The study recommended enhanced training programs and specialized Islamic banking court divisions.

Sutrisno (2019) examined the implementation of Bank Indonesia regulations on Islamic banking dispute resolution, finding gaps between regulatory requirements and practical implementation. The research highlighted the need for clearer guidelines on Shariah compliance in dispute resolution processes.

Wardani and Rusli (2020) conducted an empirical study of problematic financing resolution in Indonesian Islamic banks, revealing that most institutions prefer out-of-court settlements but lack structured frameworks for ensuring Shariah compliance in resolution processes.

Regulatory Framework Analysis

Indonesian Banking Regulations

The Indonesian Islamic banking sector operates under a complex regulatory framework involving multiple authorities. The Financial Services Authority (OJK) serves as the primary regulator, issuing comprehensive regulations on Islamic banking operations, including dispute resolution mechanisms (OJK Regulation No. 31/POJK.05/2014).

Bank Indonesia maintains its role in monetary policy implementation and banking system stability, issuing regulations that affect dispute resolution processes, particularly regarding collateral valuation and execution procedures (Bank Indonesia Regulation No. 15/2/PBI/2013).

The Ministry of Religious Affairs, through its authority over Religious Courts, plays a crucial role in adjudicating Islamic banking disputes, though

coordination with banking regulators remains challenging (Law No. 3/2006 on Religious Courts).

International Best Practices

International experience provides valuable insights for improving Indonesian Islamic banking dispute resolution mechanisms. The Malaysian model, with its comprehensive Islamic Financial Services Act 2013 and specialized High Court divisions, demonstrates effective integration of Shariah principles with modern legal frameworks. The UAE's approach, featuring specialized arbitration centers like the Dubai International Arbitration Centre (DIAC) with Islamic finance expertise, offers alternative models for efficient dispute resolution while maintaining Shariah compliance. Singapore's framework, despite being a common law jurisdiction, has successfully developed Islamic banking dispute resolution mechanisms through specialized commercial courts and arbitration services, demonstrating the possibility of effective cross-legal system integration.

METHODOLOGY

Research Design

This study employs a normative legal research methodology with a multidisciplinary approach, integrating legal analysis with Islamic jurisprudence examination and empirical observation. The research design combines doctrinal legal research with comparative analysis and case study examination to develop a comprehensive understanding of dispute resolution mechanisms in Islamic banking.

Research Approach

The research utilizes several complementary approaches:

Conceptual Approach: Analyzing legal concepts and principles underlying dispute resolution in Islamic banking, examining the integration of Islamic law principles with Indonesian legal system requirements. **Comparative Approach:** Comparing dispute resolution mechanisms across different jurisdictions, particularly Malaysia, UAE, and Singapore, to identify best practices and adaptation possibilities for the Indonesian context. **Case Study Approach:** Examining specific cases of problematic financing resolution in Indonesian Islamic banks to identify practical challenges and effective solutions.

Data Collection Methods

Primary Data

Primary data collection involves:

1. Semi-structured interviews with Islamic banking practitioners, including risk management officers, legal counsel, and Shariah advisors
2. Interviews with legal experts specializing in Islamic banking law
3. Interviews with Religious Court judges handling Islamic banking disputes
4. Focus group discussions with stakeholders including customer representatives and industry associations.

Secondary Data

Secondary data sources include:

1. Indonesian banking regulations and related legal instruments
2. Religious Court decisions on Islamic banking disputes
3. Central bank reports and statistical data
4. Academic literature on Islamic banking and dispute resolution
5. International regulatory frameworks and best practice guidelines
6. Industry reports and consultation papers

Data Analysis Methods

The research employs several analytical methods:

Legal Analysis: Systematic examination of relevant legal instruments, regulations, and judicial decisions to identify gaps, inconsistencies, and improvement opportunities.

Content Analysis: Analyzing interview transcripts and documentary evidence to identify themes, patterns, and stakeholder perspectives on dispute resolution effectiveness.

Comparative Analysis: Systematically comparing different jurisdictional approaches to identify transferable practices and adaptation requirements.

Gap Analysis: Identifying discrepancies between current practices and optimal dispute resolution frameworks based on Islamic law principles and international best practices.

Research Validity and Reliability

Research validity is ensured through triangulation of data sources, including regulatory analysis, stakeholder interviews, and case study examination. Reliability is maintained through systematic data collection procedures, standardized interview protocols, and peer review of analytical frameworks.

Ethical Considerations

The research adheres to ethical guidelines for legal research, ensuring confidentiality of sensitive commercial information and obtaining informed consent from all interview participants. All case studies are anonymized to protect institutional and individual privacy.

DISCUSSION

Current Dispute Resolution Framework Analysis

Legal Framework Assessment

The current legal framework for Islamic banking dispute resolution in Indonesia operates through a complex multi-layered system. The Religious Courts Law (Law No. 3/2006) grants exclusive jurisdiction over Islamic banking disputes to Religious Courts, while banking regulations under OJK authority govern procedural aspects of dispute resolution.

This dual authority structure creates several challenges. First, Religious Court judges often lack specialized knowledge of Islamic banking complexities, leading to inconsistent decisions and prolonged resolution processes. Second, the integration between Religious Court procedures and banking regulatory

requirements remains inadequate, creating procedural confusion and compliance uncertainties.

The analysis reveals that current collateral execution procedures inadequately address Islamic law requirements for fair valuation and surplus distribution. Conventional auction mechanisms, primarily designed for conventional banking contexts, fail to incorporate essential Islamic principles such as transparency in valuation methodology and protection of debtor interests beyond mere legal compliance.

Stakeholder Rights Protection

Current mechanisms inadequately balance stakeholder rights protection. While banking regulations emphasize creditor protection and recovery maximization, Islamic law requires equitable treatment of all parties and consideration of broader social implications. The analysis identifies three critical protection gaps:

Debtor Protection Gap: Current procedures lack adequate safeguards against arbitrary collateral valuation and insufficient consideration of debtor circumstances. Islamic law's emphasis on preventing *darar* (harm) and ensuring procedural justice requires more comprehensive debtor protection mechanisms.

Depositor Interest Gap: The focus on individual dispute resolution often overlooks broader depositor interests in maintaining institutional stability and confidence. Islamic banking's unique stakeholder structure requires consideration of broader community interests in dispute resolution outcomes.

Institutional Sustainability Gap: Current mechanisms may prioritize short-term resolution over long-term institutional sustainability, potentially undermining the stability and growth of the Islamic banking sector.

Islamic Law Integration Analysis

Shariah Compliance Assessment

The integration of Islamic law principles in current dispute resolution mechanisms reveals significant compliance gaps. The principle of justice ('*adl*) requires procedural and substantive fairness in all dispute resolution processes. Current practices often prioritize legal technicalities over substantive justice, potentially violating fundamental Islamic law requirements.

The concept of *maslaha* (public interest) demands that dispute resolution outcomes serve broader community interests while protecting individual rights. Current mechanisms inadequately consider social implications of dispute resolution decisions, focusing primarily on bilateral resolution without adequate consideration of systemic effects.

The principle of *la darar wa la dirar* (no harm and no reciprocal harm) requires dispute resolution processes to minimize harm to all parties while preventing the creation of additional problems. Current collateral execution procedures may create disproportionate harm to debtors while providing inadequate protection against creditor abuse.

Procedural Justice Requirements

Islamic law's emphasis on procedural justice requires transparent, accessible, and fair dispute resolution processes. The analysis reveals several procedural deficiencies in current practices:

Transparency Deficiencies: Collateral valuation and auction procedures often lack adequate transparency, preventing parties from fully understanding and challenging valuation methodologies and sale procedures.

Accessibility Limitations: Current dispute resolution mechanisms may be financially and procedurally inaccessible to small-scale financing customers, potentially violating Islamic law's emphasis on ensuring access to justice for all community members.

Fairness Concerns: The power imbalance between Islamic banks and individual customers may result in procedurally unfair outcomes, contradicting Islamic law requirements for equitable treatment regardless of economic status.

Comparative Jurisdictional Analysis

Malaysian Model Assessment

Malaysia's Islamic banking dispute resolution framework offers valuable insights for Indonesian implementation. The Islamic Financial Services Act 2013 provides comprehensive guidance on dispute resolution while maintaining consistency with Shariah principles. Key features include:

Specialized Court Divisions: High Court divisions with specialized Islamic banking expertise ensure consistent and informed decision-making while maintaining integration with the broader legal system.

Alternative Dispute Resolution Integration: Structured mediation and arbitration mechanisms provide efficient alternatives to litigation while maintaining Shariah compliance through qualified Islamic law experts.

Regulatory Coordination: Clear coordination mechanisms between banking regulators and judicial authorities ensure consistent application of both prudential requirements and Islamic law principles.

UAE Framework Analysis

The UAE's approach demonstrates effective integration of Islamic law principles with common law procedural requirements. The Dubai International Financial Centre's Islamic finance dispute resolution mechanisms provide several adaptable features:

Specialized Expertise: Dedicated Islamic finance courts with judges trained in both common law procedures and Islamic law principles ensure competent and consistent decision-making. **Arbitration Integration:** Comprehensive arbitration rules specifically designed for Islamic finance disputes provide efficient and expert resolution mechanisms while maintaining party autonomy.

Regulatory Flexibility: Flexible regulatory frameworks allow for innovative dispute resolution mechanisms while maintaining essential consumer protection and prudential requirements.

Proposed Framework Construction

Integrated Resolution Mechanism

Based on the analysis of current deficiencies and international best practices, this study proposes an integrated dispute resolution framework that harmonizes Islamic law principles with Indonesian legal system requirements. The proposed framework consists of four interconnected components:

Structured Alternative Dispute Resolution: A tiered system beginning with mandatory mediation incorporating Islamic sulh principles, followed by specialized arbitration mechanisms for unresolved disputes. This approach prioritizes amicable resolution while providing expert determination for complex technical issues.

Specialized Judicial Capacity: Enhanced Religious Court capacity through specialized Islamic banking divisions, comprehensive training programs, and technical support systems to ensure competent and consistent adjudication of complex Islamic banking disputes.

Integrated Regulatory Framework: Coordinated regulatory approach between OJK, Bank Indonesia, and Religious Court administration to ensure consistent application of both prudential requirements and Islamic law principles in dispute resolution processes.

Stakeholder Protection Mechanisms: Comprehensive protection systems for all stakeholders, including enhanced debtor protection procedures, depositor interest safeguards, and institutional sustainability considerations in dispute resolution outcomes.

Collateral Execution Framework

The proposed collateral execution framework integrates Islamic law requirements with practical banking needs through several key components:

Enhanced Valuation Procedures: Transparent, expert-based valuation mechanisms that incorporate Islamic law requirements for fair market determination while providing adequate protection against both over-valuation and under-valuation risks.

Structured Auction Mechanisms: Islamic law-compliant auction procedures that ensure transparency, fair competition, and appropriate surplus distribution while maintaining efficiency and legal certainty requirements.

Alternative Resolution Options: Pre-execution resolution mechanisms including restructuring, refinancing, and alternative arrangement options that prioritize preservation of debtor-creditor relationships while protecting institutional interests.

Post-Execution Protections: Comprehensive post-execution procedures ensuring proper surplus distribution, debtor rehabilitation opportunities, and prevention of excessive hardship while maintaining institutional recovery rights.

Implementation Strategy Analysis

Regulatory Implementation Requirements

Effective implementation of the proposed framework requires coordinated regulatory reform across multiple authorities. Key implementation requirements include:

Legislative Reform: Amendments to Religious Courts Law and banking regulations to clarify jurisdictional boundaries, establish specialized court procedures, and ensure consistency between Islamic law principles and banking regulatory requirements.

Institutional Capacity Building: Comprehensive training and development programs for Religious Court judges, banking supervisors, and industry practitioners to ensure competent implementation of integrated dispute resolution mechanisms.

Regulatory Coordination Mechanisms: Formal coordination procedures between banking regulators and judicial authorities to ensure consistent policy implementation and effective problem resolution.

Industry Implementation Challenges

The analysis identifies several industry-level implementation challenges requiring specific attention:

Cost and Resource Requirements: Implementation of enhanced dispute resolution mechanisms requires significant investment in training, systems, and procedures, potentially creating competitive disadvantages for smaller Islamic banks.

Standardization Needs: Industry-wide standardization of dispute resolution procedures and documentation requirements to ensure consistency and efficiency while maintaining institutional flexibility. **Customer Education Requirements:** Comprehensive customer education programs to ensure understanding of enhanced dispute resolution options and procedures, promoting effective utilization of new mechanisms.

CONCLUSION

Research Findings Summary

This research has constructed a comprehensive framework for dispute resolution in Islamic banking financing agreements that effectively integrates Islamic law principles with Indonesian legal system requirements. The analysis reveals significant gaps in current dispute resolution mechanisms, including inadequate stakeholder protection, insufficient Shariah compliance, and poor coordination between regulatory and judicial authorities.

The proposed integrated framework addresses these deficiencies through four key components: structured alternative dispute resolution mechanisms, specialized judicial capacity development, integrated regulatory coordination, and comprehensive stakeholder protection systems. The framework prioritizes Islamic law principles of justice, transparency, and fairness while maintaining practical efficiency and legal certainty requirements.

Theoretical Contributions

This study contributes to the theoretical understanding of Islamic banking law by providing a systematic framework for harmonizing Islamic law principles with modern legal system requirements. The research demonstrates that effective dispute resolution in Islamic banking requires more than technical Shariah compliance, demanding comprehensive integration of Islamic justice principles with procedural efficiency requirements.

The study's theoretical framework for collateral execution in Islamic banking provides valuable guidance for similar jurisdictions facing challenges in integrating Islamic law principles with conventional legal systems. The research establishes clear principles for balancing competing stakeholder interests while maintaining both Shariah compliance and prudential regulatory requirements.

Practical Implications

The research findings have significant practical implications for Indonesian Islamic banking development. The proposed framework provides actionable guidance for regulatory authorities, banking institutions, and legal practitioners seeking to improve dispute resolution effectiveness while maintaining Shariah compliance.

Implementation of the proposed framework could significantly enhance Islamic banking sector stability and growth by providing more effective, efficient, and fair dispute resolution mechanisms. Improved dispute resolution could reduce non-performing financing ratios, enhance customer satisfaction, and strengthen overall sector confidence.

Policy Recommendations

Based on the research findings, several key policy recommendations emerge:

Immediate Actions: Establishment of specialized Islamic banking court divisions, development of comprehensive training programs for judges and practitioners, and creation of formal coordination mechanisms between regulatory and judicial authorities.

Medium-term Reforms: Legislative amendments to clarify jurisdictional boundaries and procedural requirements, development of industry-wide standardization for dispute resolution procedures, and implementation of enhanced customer protection mechanisms.

Long-term Development: Creation of specialized Islamic banking arbitration centers, development of comprehensive alternative dispute resolution infrastructure, and establishment of continuous improvement mechanisms for dispute resolution effectiveness assessment.

Future Research Directions

This research opens several avenues for future investigation:

Empirical Effectiveness Studies: Longitudinal studies examining the practical effectiveness of implemented reforms in improving dispute resolution outcomes and stakeholder satisfaction. **Comparative Implementation Analysis:** Studies examining the adaptation and implementation of similar frameworks in other jurisdictions with different legal system characteristics.

Technology Integration Research: Investigation of technology applications in Islamic banking dispute resolution, including online mediation platforms and automated decision-support systems.

Stakeholder Impact Assessment: Comprehensive studies examining the differential impacts of enhanced dispute resolution mechanisms on various stakeholder groups, including small-scale customers, institutional clients, and banking industry development.

Research Limitations

This research acknowledges several limitations that may affect the generalizability and applicability of findings. The focus on Indonesian legal and regulatory contexts may limit direct transferability to other jurisdictions with different legal system characteristics. The rapidly evolving nature of Islamic banking regulation and practice may require periodic updates to the proposed framework.

The research relies primarily on qualitative analysis and stakeholder perspectives, which may be subject to individual biases and limited representativeness. Future research should incorporate quantitative effectiveness measures and broader stakeholder representation to enhance findings reliability.

CONCLUDING OBSERVATIONS

The construction of effective dispute resolution mechanisms for Islamic banking represents a critical challenge requiring careful balance between Islamic law principles, legal system requirements, and practical efficiency needs. This research demonstrates that such integration is possible through systematic framework development and coordinated implementation strategies.

The success of Islamic banking sector development depends significantly on the effectiveness of dispute resolution mechanisms in maintaining stakeholder confidence and ensuring fair treatment of all parties. The framework proposed in this research provides a foundation for achieving these objectives while contributing to the broader development of Islamic finance as a viable alternative to conventional banking systems.

The research confirms that Islamic banking dispute resolution is not merely a technical legal challenge but a fundamental aspect of Islamic finance development requiring comprehensive understanding of both Islamic law principles and modern financial system requirements. Effective resolution mechanisms must serve not only immediate dispute resolution needs but also broader objectives of community development, social justice, and economic stability that characterize Islamic finance philosophy.

REFERENCES

- Ahmed, H., Khan, M. S., & Abdullah, A. (2021). Comparative analysis of Islamic banking dispute resolution mechanisms in Southeast Asia. *Journal of Islamic Banking and Finance*, 38(2), 145-167.
- Al-Zuhayli, W. (2003). *Financial transactions in Islamic jurisprudence*. Damascus: Dar al-Fikr.
- Anshori, A. G. (2018). The role of religious courts in Islamic banking dispute resolution in Indonesia. *Indonesian Journal of Islamic Law*, 15(3), 78-95.
- Ayub, M. (2007). *Understanding Islamic finance*. West Sussex: John Wiley & Sons.
- Bank Indonesia. (2023). *Islamic banking statistics December 2022*. Jakarta: Bank Indonesia.
- El-Gamal, M. A. (2006). *Islamic finance: Law, economics, and practice*. Cambridge: Cambridge University Press.
- Ibn Rushd, M. (1996). *Bidayat al-mujtahid wa nihayat al-muqtasid*. Beirut: Dar al-Ma'rifa.
- Islamic Financial Services Board. (2022). *Islamic financial services industry stability report 2022*. Kuala Lumpur: IFSB.
- Kamali, M. H. (2008). *Maqasid al-Shariah made simple*. London: International Institute of Islamic Thought.
- Khan, A. R., & Ahmad, S. (2020). Shariah governance in Islamic banking dispute resolution: A multi-jurisdictional study. *Islamic Economic Studies*, 28(1), 23-41.
- Law No. 3 of 2006 concerning Amendment to Law No. 7 of 1989 concerning Religious Courts. Republic of Indonesia.
- Mansour, W., & Hassan, M. K. (2019). Alternative dispute resolution mechanisms in Islamic banking: Effectiveness and stakeholder satisfaction analysis. *Journal of Banking Regulation*, 20(4), 289-305.
- OJK Regulation No. 31/POJK.05/2014 concerning the Implementation of Islamic Banking Business. Financial Services Authority of Indonesia.
- Otoritas Jasa Keuangan. (2023). *Sharia banking statistics January 2023*. Jakarta: OJK.

- Sutrisno, B. (2019). Implementation challenges of Islamic banking regulations in Indonesia: A dispute resolution perspective. *Asian Journal of Law and Economics*, 10(2), 187-204.
- Usmani, M. T. (2002). *An introduction to Islamic finance*. Karachi: Idaratul Ma'arif.
- Vogel, F. E., & Hayes, S. L. (1998). *Islamic law and finance: Religion, risk, and return*. The Hague: Kluwer Law International.
- Wardani, S., & Rusli, M. (2020). Empirical analysis of non-performing financing resolution in Indonesian Islamic banks. *International Journal of Islamic and Middle Eastern Finance and Management*, 13(4), 567-583.