A Sharia Risk Taxonomy for Multi-Akad Banking Contracts

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Abstract

The increasing use of multi-akad arrangements in Islamic banking has created Sharia compliance challenges that may not be adequately identified by assessing each constituent contract separately. This study aims to develop a conceptual taxonomy of Sharia compliance risks arising from the interaction between contracts and to propose a structured framework for supervising multi-akad products in Indonesian Islamic banking. The study employs a qualitative normative approach through structured analysis of selected DSN-MUI fatwas, Indonesian banking regulations, Islamic economic law documents, and relevant academic literature. The analysis involves contract decomposition, identification of legal and operational interfaces, classification of potential exposure to riba, gharar, and maisir, and interpretation through maqāṣid al-Sharīʿah principles. Three selected contract configurations are examined: murabahah–ijarah, murabahah-wakalah, and musharakah mutanaqishah. The analysis suggests that compliance vulnerabilities may arise not only within individual contracts but also from their sequencing, ownership transfer, pricing mechanisms, disclosure requirements, and risk allocation. Based on these conceptual findings, the study proposes a Sharia Risk Taxonomy and an integrated Sharia Compliance and Risk Management framework comprising a maqāṣid-based evaluation grid, an interface risk protocol, a dual-competence Sharia Supervisory Board model, and a dynamic monitoring system. As a normative-conceptual study, the proposed framework has not been empirically validated and should therefore be tested through product-level case studies, expert assessment, and institutional implementation research.

Keywords: *Hybrid Contract; Sharia Compliance Risk; Sharia Risk Management; Maqaṣid al-Shariah; Islamic Banking;*

Abstrak

Meningkatnya penggunaan pengaturan multi-akad dalam perbankan Islam telah menciptakan tantangan kepatuhan Syariah yang mungkin tidak dapat diidentifikasi secara memadai dengan menilai setiap kontrak penyusun secara terpisah. Studi ini bertujuan untuk mengembangkan taksonomi konseptual risiko kepatuhan Syariah yang timbul dari interaksi antar kontrak dan untuk mengusulkan kerangka kerja terstruktur untuk mengawasi produk multi-akad dalam perbankan Islam Indonesia. Studi ini menggunakan pendekatan normatif kualitatif melalui analisis terstruktur dari fatwa DSN-MUI terpilih, peraturan perbankan Indonesia, dokumen hukum ekonomi Islam, dan literatur akademis yang relevan. Analisis tersebut melibatkan dekomposisi kontrak, identifikasi antarmuka hukum dan operasional, klasifikasi potensi paparan riba, gharar, dan maisir, serta interpretasi melalui prinsip-prinsip maqāṣid al-Sharīʿah. Tiga konfigurasi kontrak terpilih diperiksa: murabahah–ijarah, murabahah-wakalah, dan musharakah mutanaqishah. Analisis menunjukkan bahwa kerentanan kepatuhan dapat muncul tidak hanya dalam kontrak individual tetapi juga dari urutan, transfer kepemilikan, mekanisme penetapan harga, persyaratan pengungkapan, dan alokasi risiko. Berdasarkan temuan konseptual ini, studi ini mengusulkan Taksonomi Risiko Syariah dan kerangka kerja Kepatuhan dan Manajemen Risiko Syariah terintegrasi yang terdiri dari kisi evaluasi berbasis maqāṣid, protokol risiko antarmuka, model Dewan Pengawas Syariah dengan kompetensi ganda, dan sistem pemantauan dinamis. Sebagai studi normatif-konseptual, kerangka kerja yang diusulkan belum divalidasi secara empiris dan oleh karena itu perlu diuji melalui studi kasus tingkat produk, penilaian ahli, dan penelitian implementasi kelembagaan.

Kata kunci: *Kontrak Hibrida, Risiko Kepatuhan Syariah, Manajemen Risiko Syariah, Maqaṣid al-Shariah, Perbankan Islam*

INTRODUCTION

Islamic banking product development increasingly requires contractual structures capable of accommodating transactions that cannot be effectively organised through a single contract. Multi-akad arrangements, commonly referred to as hybrid or compound contracts, address this need by combining two or more contracts within an integrated financial structure. Their relevance has increased alongside the expansion and diversification of the Islamic banking industry. In Indonesia, Islamic banking financing reached IDR 716.40 trillion in March 2026, representing year-on-year growth of 9.82 per cent. This expansion increases the need for product innovation, but it also raises the importance of ensuring that increasingly complex contractual structures remain consistent with Sharia principles throughout their design and implementation.

The use of multi-akad structures presents a compliance problem that differs from the assessment of a single contract. A murabahah, wakalah, ijarah, or musharakah contract may individually satisfy its formal requirements, yet the overall transaction may still produce a prohibited outcome when the contracts are linked through particular pricing mechanisms, ownership arrangements, risk allocations, or contractual sequences. For example, compliance concerns may arise when a murabahah sale is executed before the bank obtains ownership or possession of the underlying asset, when an agency arrangement eliminates the bank’s substantive role as seller, or when rental and ownership-purchase payments are structured to provide a predetermined return without meaningful ownership exposure. Sharia compliance in multi-akad products therefore cannot be determined solely by verifying the validity of each constituent contract. It also requires an examination of how the contracts interact as an integrated economic and legal arrangement.

The scale of this issue cannot be directly established from publicly available aggregate banking data. The Islamic Banking Statistics published by the Financial Services Authority Otoritas Jasa Keuangan (OJK) classify financing according to individual contract categories, including murabahah, mudharabah, musyarakah, and ijarah. These statistics are useful for evaluating financing composition and non-performing financing by contract type, but they do not separately disclose exposures arising from the combination of contracts within a single product. Consequently, the prevalence and compliance profile of multi-akad arrangements cannot be directly inferred from aggregate financing statistics. This limitation makes a product-structure approach particularly important: rather than claiming that certain hybrid products dominate Islamic bank balance sheets, the present study examines selected configurations that are recognised in the literature and relevant to Indonesian Islamic banking practice.

The Indonesian regulatory framework has recently strengthened the institutional architecture of Sharia governance. OJK Regulation No. 2 of 2024 requires Islamic commercial banks and Islamic banking units to apply Sharia governance throughout their business activities and lines of defence. Its implementing regulation, OJK Circular Letter No. 15/SEOJK.03/2024, further regulates the responsibilities of the Sharia Supervisory Board (Dewan Pengawas Syariah, DPS) and establishes Sharia compliance, Sharia risk management, and Sharia internal audit as distinct governance functions. These reforms are significant because they move Sharia compliance beyond the exclusive responsibility of the DPS and integrate it into the bank’s wider governance and risk-control system. At the international level, the Islamic Financial Services Board also emphasises that effective Sharia governance supervision should reflect the size, nature, and complexity of Islamic financial institutions and should be supported by adequate supervisory authority, institutional resources, and disclosure mechanisms.

Nevertheless, stronger institutional governance does not automatically provide a transaction-level method for evaluating the structural risks of multi-akad products. OJK Regulation No. 2 of 2024 and Circular Letter No. 15/SEOJK.03/2024 define the responsible institutions, governance functions, coordination mechanisms, and lines of accountability, but they do not prescribe a specific analytical taxonomy for determining how Sharia risk arises from the interaction of constituent contracts. Similarly, international Sharia governance principles primarily establish supervisory benchmarks, organisational responsibilities, independence requirements, and control functions. They provide an essential governance foundation, but they leave individual jurisdictions and financial institutions to develop more detailed risk-assessment procedures according to their circumstances. This creates a regulatory-operational gap between the obligation to manage Sharia compliance risk and the availability of a structured instrument for identifying such risk in complex contractual configurations.

The existing literature reflects a similar limitation. The first stream of research examines the jurisprudential permissibility and boundaries of combining contracts. (Arbouna, 2007), for example, explains contract combination as a possible mechanism for Islamic financial product development, while (Niffilayani & Thao, 2023) analyse the validity of hybrid contracts under Islamic economic law. These studies establish the important principle that contract combination is generally permissible unless it produces riba, gharar, maisir, or another explicitly prohibited outcome. However, their primary concern remains the permissibility and legal conditions of multi-akad rather than the development of a systematic risk-classification instrument for supervisory application.

The second stream focuses on the conformity of hybrid contracts with Indonesian law, DSN-MUI fatwas, and specific product structures. Studies have examined hybrid contracts from the perspective of positive and Islamic law, analysed their permissibility under DSN-MUI fatwas, and described their application in products such as Islamic letters of credit, leasing, and other financing arrangements. (Sumanti et al., 2024), for instance, demonstrate how letter-of-credit products can evolve from a single wakalah-based service into several hybrid financing structures. Such studies provide valuable product-level descriptions, but they generally evaluate whether the relevant contracts have an adequate legal or fatwa basis. They give less attention to the precise points at which ownership, pricing, disclosure, agency, and risk-bearing obligations move from one contract to another and potentially create new compliance vulnerabilities.

The third stream addresses Sharia governance and Sharia compliance risk at the institutional level. This literature highlights the importance of the DPS, internal audit, compliance functions, risk rating, and governance mechanisms in preventing Sharia non-compliance. (Fitria & Setiawan, 2025), for example, argues for a more explicit Sharia compliance risk-rating approach in Indonesian Islamic banking. More recent regulatory developments have also formalised the roles of Sharia compliance, Sharia risk management, and Sharia internal audit. However, institutional governance studies generally treat Sharia compliance risk as an organisational or supervisory category. They do not fully explain how a specific risk is generated by the interaction between two or more individually permissible contracts or how such an interaction should be translated into a product-screening sequence.

Taken together, these three streams reveal a research gap at the intersection of contract jurisprudence, product structuring, and Sharia risk governance. Jurisprudential studies explain whether contracts may be combined; product studies describe how particular combinations are applied; and governance studies specify who is responsible for ensuring compliance. Limited attention, however, has been given to an operational framework that systematically answers three connected questions: where risk arises within a multi-akad structure, how that risk should be classified, and which supervisory control should respond to it. The literature therefore lacks an adequately developed bridge between the normative conditions of contract validity and the operational processes of Sharia risk management.

This research gap is accompanied by a theoretical gap. Much of the jurisprudential literature implicitly treats Sharia compliance as a characteristic that can be assessed at the level of the individual contract. By contrast, Sharia governance literature generally explains compliance as an outcome of institutional arrangements, such as the effectiveness, competence, and independence of the DPS and related control functions. These perspectives operate at different analytical levels. The former concentrates on the micro-level validity of an akad, whereas the latter concentrates on the organisational architecture surrounding the financial institution. What remains insufficiently explained is the intermediate transactional mechanism through which individually permissible contracts may generate a non-compliant economic outcome when their legal effects, temporal sequences, pricing terms, ownership positions, and risk allocations interact.

To address this theoretical gap, the present study develops the Interface Risk Hypothesis. The hypothesis proposes that Sharia compliance risk in a multi-akad product is not necessarily equal to the sum of the risks attached to its constituent contracts. Additional risk may emerge at the interface where the legal and economic consequences of two or more contracts intersect. Interface risk may occur, for example, when agency affects the validity of a subsequent sale, when rental payments are linked to the acquisition price of an asset, when ownership is formally retained but its associated risks are contractually transferred, or when the timing of one contract affects the permissibility of another. This proposition does not reject the classical rules governing individual contracts. Instead, it extends their application by treating the combined structure as a distinct unit of Sharia analysis.

A related theoretical limitation concerns the use of maqaṣid al-Shariʿah. Existing Islamic finance scholarship has frequently employed maqāṣid as a normative foundation for assessing whether financial products promote justice, welfare, transparency, and the protection of wealth. Its application is therefore not, by itself, a new contribution. The more specific problem is that maqāṣid principles have rarely been connected to a replicable interface-level procedure for screening multi-akad banking products. Accordingly, the novelty claimed in this study does not rest merely on introducing maqāṣid into product evaluation. It rests on integrating contract decomposition, interface-risk identification, and maqāṣid-based evaluation within a single supervisory framework.

Against this background, this study aims to develop a conceptual Sharia Risk Taxonomy for selected multi-akad structures and to propose an integrated Sharia Compliance and Risk Management framework for their ex-ante assessment and subsequent monitoring. The analysis focuses on three selected configurations: murabahah-ijarah, murabahah-wakalah, and musharakah mutanaqishah. These structures are examined to identify risks arising within individual contracts and risks arising at the interfaces between contracts, particularly those associated with ownership, possession, pricing, disclosure, sequencing, agency, and the allocation of risks and returns.

The study makes three bounded contributions. First, it shifts the unit of Sharia compliance analysis from the individual contract alone to the contractual interface within an integrated product structure. Second, it develops a taxonomy distinguishing intra-contract risks from interface risks and linking them to potential exposure to riba, gharar, maisir, tadlīs, and prohibited ownership arrangements. Third, it proposes an integrated framework connecting a maqaṣid-based evaluation grid, an interface-risk protocol, DPS competence, and dynamic Sharia monitoring. These contributions are conceptual and normative rather than empirical. The study does not claim that the proposed taxonomy represents the actual frequency of non-compliance in Indonesian Islamic banks or that the proposed framework has already improved supervisory effectiveness. Its practical validity must be tested through product-level case studies, structured expert assessment, interviews with regulators and Sharia supervisors, and pilot implementation within Islamic banking institutions.

LITERATURE REVIEW

1. The Classical Jurisprudential Foundation of Hybrid Contracts

The concept of al-'uqud al-murakkabah compound or complex contracts has deep roots in classical Islamic jurisprudence, though its explicit theorisation as a distinct category of legal analysis is largely a product of contemporary scholarship. The foundational definitional work is that of Abdullah al-'Imrani, whose doctoral dissertation established multi-akad as a collection of material akad contained within a single contractual arrangement, where all resulting rights and obligations are treated as integral and legally unified consequences of a single transaction (Niffilayani & Thao, 2023). This definition captures the essential characteristic of hybrid contracts that distinguishes them from parallel or sequential single-contract transactions: the organic legal unification of distinct contractual obligations.

Classical jurisprudence identifies three Prophetic prohibitions that define the outer limits of multi-akad permissibility. The first is the prohibition of bai'ataini fi bai'atin two sales within a single sale transaction. The second is the prohibition of shafqataini fi shafqatin two agreements within a single agreement. The third is the prohibition of bay' wa salaf the combination of a sale contract and a loan (qardh) within the same transaction

(Niffilayani & Thao, 2023). Contemporary hadith scholarship and muamalah fiqh analysis has established that these three prohibitions are not general prohibitions on contract combination but rather targeted restrictions on specific configurations that produce riba equivalent outcomes or create prohibited ambiguity in pricing (Niffilayani & Thao, 2023). The critical scholarly insight is that the legal status of a multi-akad arrangement cannot be reduced to the aggregate legal status of its constituent contracts: two individually permissible contracts, when combined, may produce a prohibited outcome, as al-Syatiby's principle instructs (Niffilayani & Thao, 2023).

The majority scholarly position across the four main Sunni legal schools permits multi-akad arrangements provided that: (i) the individual contracts are themselves jurisprudentially valid; (ii) the combination does not produce riba, gharar, or maisir; (iii) the combination is not explicitly prohibited by a Prophetic text or scholarly consensus; and (iv) the objectives of the combined arrangement are consistent with maqashid shariah (Arbouna, 2007; Niffilayani & Thao, 2023). This permissive consensus, grounded in the foundational principle that the original status of commercial transactions is permissibility unless a specific prohibition can be established (al-aṣl fi al-mu'amalat al-ibaḥah), has provided the jurisprudential licence for the extensive use of multi-akad in contemporary Islamic banking (Harrieti, 2018).

2. Typologies of Hybrid Contracts in Islamic Banking

The taxonomic work of al-'Imrani, as elaborated by (Niffilayani & Thao, 2023), identifies five principal categories of multi-akad. The first, al-'uqud al-mutaqabilah (conditional or reciprocal contracts), involves a second contract that conditions or completes the first, creating a dependency relationship between them. The second, al-'uqud al-mujtami'ah (joint or concurrent contracts), combines two or more contracts simultaneously within a single arrangement without a dependency relationship. The third, al-'uqud al-mutanaqidhah wa al-mutadhaddah wa al-mutanafiyah (contradictory, opposing, and mutually exclusive contracts), involves combinations that are intrinsically incompatible and therefore prohibited. The fourth, al-'uqud al-mukhtalifah (contracts with differing legal consequences), combines contracts whose individual legal consequences conflict with each other. The fifth, al-'uqud al-mutajanisah (homogeneous contracts), involves legally similar contracts that can be combined without affecting their legal consequences.

In practice, Indonesian Islamic banking predominantly employs the first and second categories. The musharakah mutanaqishah product, which combines a diminishing partnership contract with an ijarah (lease) contract, exemplifies al-'uqud al-mutaqabilah, as the diminishing equity structure is conditional on the lease structure generating the return used to redeem the partnership shares. The murabahah-wakalah product, which appoints the customer as agent (wakil) to procure the asset on behalf of the bank before the murabahah sale is consummated, exemplifies al-'uqūd al-mujtami'ah in the financing context (Razak & Shahrul Azman Abd Razak, 2016; Sumanti et al., 2024).

3. Sharia Compliance Risk: Conceptual Contours

Sharia compliance risk in Islamic financial institutions has been formally defined by the Islamic Financial Services Board (IFSB) as the risk arising from failure to comply with Sharia rules and principles as determined by the relevant Sharia board. This encompasses the risk that products or transactions fail to comply with Sharia requirements as advised by the institution's DPS, and the risk of retrospective Sharia rulings invalidating existing contracts. For hybrid contracts specifically, Sharia compliance risk has a distinctive architecture: because the combined arrangement creates novel legal and financial configurations, the risk of Sharia non-compliance is not simply additive across the constituent akad but is generated at the structural interface between them.

The three classical prohibitions riba, gharar, and maisir manifest differently within hybrid contract configurations than within single-akad structures. Riba in multi-akad typically emerges when the combined structure produces a guaranteed return on capital that is functionally equivalent to interest, even if no individual contract in the combination explicitly involves an interest charge (Soualhi, 2026). Gharar in multi-akad is particularly concerning when the combination of contracts produces ambiguity regarding the ultimate price, the subject matter, or the delivery obligations that would not be present in a single-akad transaction. Maisir risk in multi-akad arises primarily in structures where the combined arrangement creates speculative exposure or gambling-like contingencies.

The literature on Sharia compliance risk in Islamic banking has developed substantially in recent years, but with notable gaps. Existing work has addressed Sharia compliance frameworks for individual Islamic financial products (Soualhi, 2026), the role and institutional design of the DPS (Dani El Qori, 2016; Harrieti, 2018), and the general relationship between DSN-MUI fatwa and regulatory compliance. However, no study has produced a comprehensive taxonomy of the specific compliance risks generated by multi-akad configurations at the structural interface level, nor has any study proposed a systematic ex-ante screening protocol for these risks calibrated to the product approval procedures of DSN-MUI and OJK.

4. The Role of the Sharia Supervisory Board (DPS)

The Sharia Supervisory Board occupies the central institutional position in the Sharia governance architecture of Indonesian Islamic banks. Article 32 of Law No. 21 of 2008 mandates the establishment of a DPS in every Islamic bank, with members appointed by the General Meeting of Shareholders upon MUI recommendation. The DPS functions as the internal Sharia auditor and compliance monitor, responsible for ensuring the conformity of the bank's operational activities with DSN-MUI fatwas, evaluating Sharia aspects of the bank's products and operational guidelines, providing Sharia opinions in the bank's publication reports, and reviewing new products that lack an existing fatwa before referring them to DSN-MUI for formal ruling (Dani El Qori, 2016; Harrieti, 2018).

However, research on DPS effectiveness reveals significant structural constraints that limit its supervisory capacity. These include: inadequate DPS member competence in complex financial risk analysis alongside classical Islamic legal expertise; the absence of standardised methodological frameworks for Sharia risk assessment of hybrid products; the ex-post rather than ex-ante orientation of most DPS review processes; and an institutional design that gives the DPS advisory rather than binding authority over product development decisions except in cases of direct fatwa non-compliance (Dani El Qori, 2016). These constraints are particularly consequential for hybrid contract governance, where the complexity of multi-akad structural interfaces demands sophisticated financial risk analysis capabilities that many DPS boards currently lack.

5. Research Gap and Positioning

The review of prior scholarship establishes the following configuration of gaps that this study addresses. First, existing studies have analysed hybrid contract permissibility at the level of the individual akad type but have not mapped the compliance risks that emerge specifically at multi-akad structural interfaces. Second, the maqashid shariah framework has been invoked as a philosophical validation tool for hybrid contracts (Soualhi, 2026), but has not been operationalised as a systematic risk screening instrument for practical supervisory use. Third, no study has proposed a comprehensive institutional reform agenda for the DPS that addresses its capacity limitations in the specific context of hybrid contract monitoring. This study fills these gaps by developing the Sharia Risk Taxonomy, the maqaṣid-based compliance evaluation grid, and the integrated SCRM framework.

RESEARCH METHODS

This study employs a qualitative-normative approach to examine Sharia compliance risks arising from multi-akad structures in Indonesian Islamic banking. The normative analysis is based on primary legal and regulatory documents, including Law No. 21 of 2008 on Sharia Banking, Supreme Court Regulation No. 2 of 2008 on the Compilation of Islamic Economic Law, OJK Regulation No. 24/POJK.03/2015, and selected DSN-MUI fatwas concerning murabahah, ijarah, wakalah, and musharakah mutanaqishah. Academic literature on hybrid contracts, Sharia compliance risk, maqaṣid al-Shariʿah, and Sharia governance is used as a secondary source to support the interpretation of these documents.

The analysis focuses on three selected multi-akad configurations: murabahah-ijarah, murabahah-wakalah, and musharakah mutanaqishah. Each configuration is first decomposed into its constituent contracts. The contractual provisions are then examined according to five analytical dimensions: ownership and possession, contract sequencing, pricing and disclosure, agency relationships, and risk-and-return allocation. Potential compliance problems are coded according to their exposure to riba, gharar, maisir, tadlis, or other prohibited contractual consequences.

The identified risks are subsequently classified into two categories. Intra-contract risk refers to non-compliance arising within an individual contract, whereas interface risk refers to compliance vulnerabilities resulting from the interaction between two or more contracts. The classifications are compared across the relevant DSN-MUI fatwas, banking regulations, Islamic economic law provisions, and academic interpretations. This procedure forms the basis for developing the Sharia Risk Taxonomy and the proposed Sharia Compliance and Risk Management framework.

To strengthen analytical consistency, the same contractual dimensions and risk categories are applied to all three product configurations. Source triangulation is conducted by comparing legal documents, fatwas, and relevant scholarly interpretations. As a normative-conceptual study, this research does not assess the actual frequency of Sharia non-compliance or empirically test the effectiveness of the proposed framework. Therefore, the taxonomy and framework require further validation through product-level case studies, expert assessment, and research involving Islamic banking institutions.

RESULT AND DISCUSSION

1. Sharia Risk Taxonomy for Multi-Akad Products

a. Conceptual Architecture of the Sharia Risk Taxonomy

The Sharia Risk Taxonomy (SRT) introduced in this study classifies compliance risks in hybrid contracts along two principal dimensions. The first dimension is the type of Sharia prohibition at risk: riba (subdivided into riba al-nasi'ah, riba al-fadhl, and riba al-jahiliyyah analogues), gharar (subdivided into gharar al-yasir, manageable uncertainty that is tolerated, and gharar al-kathir, excessive uncertainty that is prohibited), and maisir. The second dimension is the structural location of the risk: whether it arises within the boundary of a single constituent akad (intra-contract risk) or at the interface between two combined akad (inter-contract or interface risk). The SRT identifies interface risk as the most distinctive and most poorly governed category of Sharia compliance risk in hybrid contract products.

Three dominant multi-akad product configurations in Indonesian Islamic banking are examined: (1) murabahah-ijarah bundles (used in home financing and asset-backed financing products); (2) murabahah-wakalah structures (used in trade finance and retail purchasing facilities); and (3) musharakah mutanaqishah arrangements (used primarily in property financing). Each configuration is analysed for its intra-contract and interface risk profile.

b. *Murabahah-Ijarah Bundle: Risk Profile*

1). Structural Description

The murabahah-ijarah bundle, commonly deployed in Islamic home financing and vehicle financing, combines a deferred-payment sale (murabahah) with a lease contract (ijarah). In the Indonesian market, this structure typically operates as follows: the bank acquires the asset, leases it to the customer (ijarah phase), and simultaneously or subsequently sells the asset to the customer on a deferred mark-up basis (murabahah phase). Some variants incorporate an ijarah muntahiya bi al-tamlik (lease-to-own) element, where ownership transfers to the customer at lease completion either through a separate sale or a gift (hibah).

2). Intra-Contract Risk

Within the murabahah component, the primary intra-contract risk is the determination and disclosure of the profit margin (ribh) in a manner that is transparent and fixed at the time of contract execution, as required by DSN-MUI Fatwa No. 04. The widespread practice of benchmarking the murabahah margin to the conventional interest rate (e.g., Bank Indonesia rate) raises the question frequently identified in the literature of whether this practice constitutes a form of functional riba even if the contractual form is technically a sale. Within the ijarah component, the primary intra-contract risk is the determination of usufruct (manfa'ah) as the subject of the lease and the avoidance of gharar in the lease term and rental quantum.

3). Interface Risk

The critical Sharia compliance risks in the murabahah-ijarah bundle emerge at the interface between the two contracts. Three interface risks are identified. First, the simultaneous execution risk: classical fiqh requires that the bank obtain genuine ownership of the asset before the murabahah sale is executed. If the ijarah and murabahah are executed simultaneously before the bank has established real ownership (qabd), the murabahah involves the sale of an asset not yet owned by the seller, which is prohibited by the

Prophetic narration ('do not sell what you do not have'). The simultaneity of the two contracts within a bundle therefore creates a structural incentive to shortcut the ownership verification step.

Second, the rental-to-purchase price linkage risk: in some bundle structures, the cumulative rental payments under the ijarah are credited against the murabahah purchase price. This linkage creates a structural similarity to an interest-bearing mortgage that may constitute riba al-nasi'ah if the pricing formula effectively guarantees the bank a time-value return on capital rather than a profit from a genuine sale-leaseback transaction.

Third, the overlapping contractual obligation risk: when the bank retains legal ownership during the ijarah phase while simultaneously holding a murabahah sale receivable, the bank bears both the ownership risks associated with the asset (which is appropriate under Sharia since the bank is the owner) and the credit risk of the murabahah receivable. If the product structure is designed to transfer the ownership risks to the customer through insurance requirements or maintenance obligations while the bank retains nominal ownership for the murabahah, this constitutes a violation of the Sharia principle that ownership entails risk.

c. *Murabahah-Wakalah Structure: Risk Profile*

1). Structural Description

The murabahah-wakalah structure is among the most widely deployed hybrid configurations in Indonesian Islamic banking, particularly for retail financing and working capital facilities. In this structure, the bank appoints the customer as its agent (wakil) under a wakalah contract to procure the specified asset on the bank's behalf. Upon procurement, the customer notifies the bank (or the bank is deemed to have taken constructive possession), and the bank then sells the asset back to the customer under a murabahah arrangement with a disclosed profit mark-up on a deferred payment basis.

2). Intra-Contract Risk

Within the wakalah component, the principal intra-contract risk concerns the genuine delegation of authority and the bank's real principal-agent relationship with the customer. If the wakalah is structured as a mere formality rather than a genuine agency arrangement if the bank plays no substantive role in the procurement decision and exercises no real oversight of the agent's actions the wakalah becomes a legal fiction (hilah) rather than a genuine contract, which is impermissible in Islamic jurisprudence.

3). Interface Risk

The murabahah-wakalah structure generates its most severe Sharia compliance risks at the interface between the two contracts. The most fundamental interface risk is what this study terms the agency collapse risk: when the customer acts as the bank's agent under the wakalah to procure an asset that the customer has already chosen, negotiated, and will ultimately own under the murabahah, the economic substance of the transaction is indistinguishable from a conventional loan. The bank provides the customer with funds; the customer uses them to purchase an asset; the customer repays the bank with a mark-up. If the wakalah is not accompanied by genuine bank oversight and substantive participation in the procurement decision, the combined arrangement produces a functional equivalent of interest-bearing finance, rendering the profit mark-up economically analogous to riba al-nasi'ah.

A secondary interface risk is the ownership gap risk: Islamic jurisprudence requires that the murabahah seller own and possess (or constructively possess) the subject asset at the point of sale. In the wakalah-murabahah sequence, there is a legally complex moment at which the customer has completed the procurement as the bank's agent but the formal transfer of ownership into the bank's name and then back to the customer has not been concluded. If this ownership gap is not managed through appropriate documentation and clear contractual sequencing, the murabahah may involve the sale of an asset not owned by the seller at the point of sale, which is prohibited.

A third interface risk concerns the disclosure obligations: DSN-MUI Fatwa No. 04 requires that the cost price and the profit mark-up be separately and transparently disclosed to the customer in a murabahah. When the wakalah is incorporated into the structure, the customer's procurement activities as agent (including any rebates or discounts obtained from the supplier) must be fully disclosed and credited to the murabahah cost calculation. Any failure of this disclosure obligation whether by design or through inadequate procedural controls constitutes a form of gharar al-kathir and potentially a form of deception (tadlis) that invalidates the murabahah.

d. *Musharakah Mutanaqishah: Risk Profile*

1). Structural Description

Musharakah mutanaqishah (diminishing partnership) is a multi-akad structure that combines three distinct contractual elements: a musharakah (partnership) contract establishing joint ownership of an asset between, the bank and the customer, an ijarah contract under which the customer leases the bank's share of the asset and pays a rental that reflects the bank's ownership proportion, and a series of periodic sale contracts (bay') through which the customer progressively purchases the bank's ownership share until the customer holds full ownership. This structure is primarily used for home financing and is endorsed by DSN-MUI Fatwa No. 73 of 2008.

2). Intra-Contract Risk

The musharakah component carries the intra-contract risk of adequate risk-sharing: the partnership structure requires that both parties bear genuine ownership risks commensurate with their ownership proportions. If the bank's risk in the partnership is effectively eliminated through guarantees, insurance, or structuring that transfers all downside risk to the customer, the musharakah becomes a form of disguised interest-bearing lending. The ijarah component carries risks regarding the periodic recalculation of the rental amount as the ownership proportion changes if recalculation is not conducted accurately and transparently, the rental quantum may not reflect the bank's actual ownership share.

3). Interface Risk

The musharakah mutanaqishah generates its most significant interface risks from the three-way interaction among partnership, lease, and sale elements. The primary interface risk is the risk of effective interest rate equivalence: if the combined rental payments and share purchase prices are structured to produce a return profile for the bank that is functionally equivalent to a fixed-interest loan with the same present value, the same risk profile, and the same lack of genuine asset exposure then the entire structure may constitute a sophisticated form of riba al-nasi'ah dressed in Islamic contractual language.

A second interface risk concerns the periodic share valuation: as the customer progressively purchases the bank's ownership share, the price of each share tranche must reflect the fair market value of the bank's partnership interest at the time of each sale. If the share prices are predetermined at the outset of the arrangement rather than determined by fair market valuation at each sale date, this constitutes gharar and potentially riba as the bank effectively sets a fixed return on its capital contribution regardless of asset price fluctuations.

Table 1 below summarises the Sharia Risk Taxonomy across the three product typologies.

Product Type	Primary Intra-Contract Risk	Primary Interface Risk	Prohibition at Risk	Risk Severity
Murabahah-Ijarah Bundle	Margin benchmarking; Usufruct valuation	Simultaneous execution; Rental-to-price linkage	Riba al-nasi'ah; Bay' ma la yamliku	High
Murabahah-Wakalah	Genuine agency; Wakalah formality risk	Agency collapse; Ownership gap; Non-disclosure of rebates	Riba al-nasi'ah; Gharar al-kathir; Tadlīs	Very High
Musharakah Mutanaqishah	Genuine risk-sharing; Rental recalculation accuracy	Interest rate equivalence; Predetermined share prices	Riba al-nasi'ah; Gharar al-kathir	High

Table 1: Sharia Risk Taxonomy for Dominant Multi-Akad Product Typologies

2. Analysis of the Supervisory Architecture and Its Limitations

a. The Regulatory Framework for Hybrid Contract Approval

The regulatory architecture governing hybrid contract product approval in Indonesian Islamic banking operates through a layered system of normative instruments.

At the apex is the DSN-MUI, whose fatwas provide the Sharia principles that govern all permissible Islamic banking activities. Below DSN-MUI, OJK Regulation No. 24/POJK.03/2015 on Products and Activities of Sharia Banks and Sharia Business Units establishes the procedural framework for product approval, requiring that new products comply with Sharia principles (as defined by DSN-MUI fatwa), prudential principles, and customer protection obligations (Harrieti, 2018). At the institutional level, the DPS serves as the internal Sharia governance body responsible for ongoing monitoring and ex-ante product review.

This regulatory architecture has significant strengths. It creates a clear normative hierarchy (DSN-MUI fatwa-OJK regulation-DPS supervision), ensures that new products lacking a DSN-MUI fatwa basis must seek one before implementation, and provides OJK with enforcement powers to instruct banks to discontinue products that do not comply with Sharia principles (Harrieti, 2018). These features provide a substantively more robust Sharia governance framework than exists in many other Islamic banking jurisdictions.

b. Systemic Weaknesses in the Current Architecture

Notwithstanding these strengths, this study identifies three systemic weaknesses that create structural space for the interface risks documented in Section 4 to persist undetected or unaddressed within the current supervisory architecture.

The first systemic weakness is the absence of a standardised Sharia risk matrix for hybrid products. Current DSN-MUI fatwa review processes and DPS monitoring protocols lack a formalised, structured instrument for identifying and assessing the interface risks specific to multi-akad configurations. The DSN-MUI fatwa review is typically conducted at the level of individual contract types a fatwa on murabahah, a fatwa on wakalah rather than at the level of the hybrid configuration as an integrated structural unit. This creates a compliance gap: each constituent akad may be individually fatwa-compliant, yet the combination may generate interface risks that no individual fatwa review has assessed. The absence of a structured Sharia risk matrix means that fatwa compliance does not guarantee structural Sharia compliance for hybrid products.

The second systemic weakness concerns the capacity constraints of the DPS. Research has consistently documented that many DPS members in Indonesian Islamic banks possess strong credentials in Islamic jurisprudence but have limited expertise in the financial engineering and risk analysis dimensions of complex Islamic banking products (Dani El Qori, 2016). For hybrid contract monitoring, this capacity gap is particularly consequential: assessing interface risks such as the rental-to-purchase price linkage in a murabahah-ijarah bundle or the interest rate equivalence of a musharakah mutanaqishah requires quantitative financial analysis skills specifically the ability to compute effective yield equivalents and compare them with conventional interest rate benchmarks that are beyond the training of many classical Islamic law scholars. The DPS is therefore structurally ill-equipped to detect many of the interface risks documented in Section 4.

The third systemic weakness is the predominantly expost orientation of DPS monitoring. The DPS review process in most Indonesian Islamic banks operates primarily through periodic review of existing product compliance, publication report attestations, and reactive responses to product development requests that have already been commercially structured by the bank's business teams. This ex-post orientation means that Sharia risk assessment is conducted after commercial product design decisions have been made, creating institutional path dependency where the DPS faces structural pressure to approve products that have already been commercially developed rather than an ex-ante screening posture in which Sharia risk assessment informs product design from the outset.

c. The DSN-MUI Fatwa as a Compliance Floor, Not a Compliance Ceiling

A critical conceptual reorientation emerges from the analysis of the supervisory architecture: DSN-MUI fatwa compliance should be understood as a necessary but not sufficient condition for Sharia compliance in hybrid contract products. The fatwa provides a compliance floor the minimum Sharia requirements that a product must meet but it does not constitute a compliance ceiling that, once reached, guarantees the absence of Sharia risk. Interface risks, by definition, emerge at the structural level of the multi-akad configuration and may not be captured by fatwas that address constituent akad individually.

This distinction between the compliance floor and the compliance ceiling has important implications for DPS practice and for the regulatory posture of OJK. It implies that DPS review of hybrid products must go beyond a checklist verification of fatwa compliance for each constituent akad and must extend to a structural analysis of the combined arrangement as an integrated transaction. It also implies that OJK's product approval process should incorporate structural Sharia risk assessment as a distinct and mandatory step in the approval workflow for any product classified as a hybrid contract.

3. The Integrated Sharia Compliance and Risk Management (SCRM) Framework

a. Overview of the Framework

Based on the Sharia Risk Taxonomy developed in Section 4 and the supervisory analysis in Section 5, this study proposes an integrated Sharia Compliance and Risk Management (SCRM) Framework for hybrid contract products in Indonesian Islamic banking. The SCRM Framework comprises four interconnected components: (i) the Maqaṣid-Based Evaluation Grid (MBEG), which provides the normative criteria for structural Sharia assessment; (ii) the Interface Risk Protocol (IRP), which specifies the procedural steps for identifying and assessing interface risks; (iii) the Dual Competence DPS model, which addresses the institutional capacity gap; and (iv) the Dynamic Sharia Monitoring System (DSMS), which shifts the orientation of DPS supervision from ex-post to ex-ante.

b. Maqaṣid-Based Evaluation Grid (MBEG)

The Maqaṣid-Based Evaluation Grid operationalises maqashid shariahas an ex-ante screening tool for hybrid contract products. The MBEG assesses each proposed multi-akad product against five criteria derived from the maqaṣid framework:

- Genuine Economic Purpose (hajah): Does the combined arrangement serve a genuine economic need that a single akad cannot adequately address? If the multi-akad configuration serves primarily to replicate the mechanics of a conventional financial product without generating genuine additional economic value, this criterion is not satisfied.
- Fair Risk and Return Distribution (ta'adul): Does the combined arrangement

allocate risks and returns between the parties in a manner consistent with the Sharia principle that returns must be commensurate with risk and effort (al-kharaj bi al-dhaman)?

- Absence of Exploitative Extraction (adm al-zulm): Does the combined arrangement avoid configurations in which one party systematically extracts value from the other without a genuine economic basis, as would occur in any arrangement functionally equivalent to riba?
- Transparency and Clarity (bayan): Does the combined arrangement provide each party with sufficient information about their obligations, the pricing structure, and the risk exposures to make an informed and free contractual choice?
- Maqaṣid Alignment: Does the combined arrangement serve or at minimum not undermine the objectives of Sharia with respect to property protection (hifẓ al-mal), including the protection of financial stability and the prevention of systemic risk?

Products that fail to satisfy any one of these five criteria are not considered Sharia-compliant regardless of their individual constituent akad's fatwa basis. The MBEG thus functions as a structural Sharia filter that operates above the level of individual fatwa compliance.

c. Interface Risk Protocol (IRP)

The Interface Risk Protocol specifies a mandatory analytical sequence for assessing the interface risks of any proposed hybrid contract product before DPS endorsement and OJK approval. The IRP consists of five analytical steps:

1. Contract decomposition: Each constituent akad in the proposed hybrid product is isolated and independently assessed for intra-contract Sharia compliance against the relevant DSN-MUI fatwa.
2. Interface mapping: The structural interfaces between constituent akad are identified and documented, specifying the points at which the legal obligations, pricing mechanisms, risk allocations, or temporal sequences of different contracts interact.
3. Interface risk classification: Each identified interface is classified against the Sharia Risk Taxonomy (Table 1) to determine whether it generates riba, gharar, or maisir exposure at the structural level.
4. Mitigation assessment: For each identified interface risk, existing contractual

safeguards and procedural controls are assessed for their adequacy in eliminating or reducing the risk to the level of gharar al-yasir (tolerable uncertainty).

5. MBEG assessment: The combined product is assessed against the five maqaṣid criteria of the MBEG to produce an overall structural Sharia compliance determination.

The IRP documentation must be completed and independently reviewed before any hybrid product is submitted to DSN-MUI for fatwa consideration or to OJK for product approval. This shifts the compliance burden to the structuring phase of product development rather than the approval phase, incentivising Sharia-aligned product design from inception.

d. Dual Competence DPS Model

To address the institutional capacity gap identified in Section 5.2, this study proposes a Dual Competence DPS model that requires each Islamic bank's Sharia Supervisory Board to include at minimum one member with demonstrated competence in quantitative financial risk analysis alongside classical Islamic legal expertise. This does not require DPS members to hold formal financial risk management qualifications, but it does require that the DPS as a collective body possess the capacity to conduct or commission the quantitative analysis required by the IRP.

The Dual Competence DPS model can be operationalised through three institutional mechanisms: the introduction of a minimum competence standard for DPS membership that includes financial risk analysis literacy; the establishment of a DPS technical secretariat staffed by financial risk professionals who support the DPS's Sharia assessment functions; and the creation of formal collaboration protocols between the DPS and the bank's risk management division that provide the DPS with real-time product risk data without compromising the independence of the Sharia supervisory function.

e. Dynamic Sharia Monitoring System (DSMS)

The Dynamic Sharia Monitoring System transforms the temporal orientation of DPS supervision from primarily ex-post to predominantly ex-ante. The DSMS has three components. The first is a Sharia risk register for each approved hybrid product, maintained on a current basis and updated whenever product parameters, market conditions, or regulatory requirements change in ways that affect interface risk profiles.

The second is a periodic structural Sharia review conducted at minimum annually that applies the full IRP to all existing hybrid products to identify whether changed market conditions or implementation practices have generated new interface risks not present at the time of original approval. The third is a real-time compliance dashboard that provides DPS members with continuous visibility into key performance indicators related to hybrid product implementation, enabling early detection of compliance anomalies.

Table 2 summarises the SCRM Framework architecture and its relationship to the supervisory weaknesses identified in Section 5.

SCRM Component	Supervisory Weakness Addressed	Operational Instrument	Regulatory Anchor
Maqāṣid-Based Evaluation Grid (MBEG)	Absence of structural Sharia risk standard	5-criterion maqaṣid screening	DSN-MUI / OJK
Interface Risk Protocol (IRP)	No standardised interface risk methodology	5-step analytical sequence	DPS / OJK approval workflow
Dual Competence DPS	DPS capacity gap in financial risk analysis	Competence standards; Technical secretariat	OJK / MUI appointment standards
Dynamic Sharia Monitoring System (DSMS)	Ex-post orientation of DPS monitoring	Sharia risk register; Annual review; Dashboard	DPS internal governance

Table 2: SCRM Framework Architecture and Supervisory Alignment

4. Discussion

a. Implications for the Jurisprudential Debate on Hybrid Contracts

The analysis does not challenge the general permissibility of multi-akad arrangements recognised in Islamic jurisprudence. Instead, it clarifies that the permissibility of each constituent contract does not automatically establish the Sharia compliance of the combined product. As explained by (Arbouna, 2007; Niffilayani & Thao, 2023), the permissibility of contract combination remains conditional on the absence of riba, gharar, maisir, and other prohibited consequences. The present study extends this argument by identifying the contractual points at which such consequences may potentially arise. The distinction between intra-contract risk and interface risk provides a more specific interpretation of this conditional permissibility. Intra-contract risk arises when an individual contract fails to satisfy its own requirements, such as the absence of valid ownership in murabahah or uncertainty regarding usufruct in ijarah. Interface risk, by contrast, arises when the legal and economic effects of two or more contracts interact. Such interaction may concern the sequence of contract execution, the transfer of ownership and possession, the relationship between rent and purchase payments, the substance of an agency arrangement, or the allocation of ownership-related risks.

In the murabahah-wakalah structure, for example, the individual permissibility of wakalah and murabahah does not resolve the compliance issue if the murabahah is concluded before the bank obtains ownership or constructive possession of the asset. Similarly, in musharakah mutanaqishah, the validity of musharakah, ijarah, and gradual sale contracts does not by itself ensure compliance if the bank's ownership risks are effectively transferred to the customer while the bank continues to receive a predetermined return. These examples provide the conceptual basis for the Interface Risk Hypothesis. However, the hypothesis should not be interpreted as empirical evidence that the identified forms of non-compliance occur in Indonesian Islamic banks. The analysis only demonstrates that such risks are normatively possible within particular contractual configurations. Confirmation of their actual occurrence requires examination of product documents, transaction procedures, Sharia audit reports, and implementation practices in individual Islamic banks. The Sharia Risk Taxonomy therefore functions as an analytical classification rather than a measurement of actual non-compliance. Its contribution lies in directing Sharia analysis toward both the validity of individual contracts and the consequences produced by their interaction. This approach is consistent with the jurisprudential principle that the legal consequence of a combined arrangement may differ from the legal consequence of each contract considered separately.

The proposed framework is also consistent with the broader development of Sharia governance scholarship. Ayub et al. (2024)argue that Sharia governance should not be confined to the formal validation of financial products but should also support institutional credibility, value-based governance, and the broader objectives of Islamic finance. This perspective supports the use of maqaṣid al-Shariʿah as a higher-order evaluation criterion in the present study. Nevertheless, the contribution of the SCRM framework lies specifically in connecting these broader objectives with the assessment of contractual interfaces, rather than merely restating maqāṣid as a general principle.

b. Implications for Islamic Banking Governance in Indonesia

The analysis suggests that the current governance of multi-akad products requires assessment at two levels. The first level concerns compliance with the DSN-MUI fatwa governing each constituent contract. The second concerns the structural interaction of the contracts within the product as a whole. Compliance with individual fatwas remains necessary, but it may not be sufficient when ownership, pricing, agency, risk allocation, and contract sequencing are interconnected. Within the Indonesian regulatory structure, DSN-MUI provides the relevant Sharia principles, OJK regulates banking products and governance, and the DPS supervises Sharia compliance at the institutional level. The proposed Sharia Compliance and Risk Management framework is intended to connect these existing functions rather than replace them. The Maqaṣid-Based Evaluation Grid provides broader criteria for evaluating economic purpose, fairness, transparency, and protection of wealth. The Interface Risk Protocol provides a sequence for decomposing the product, identifying contractual interfaces, classifying potential risks, and reviewing the available controls.

The proposed Dual Competence DPS model responds to the conceptual need for Sharia supervisors to understand both the jurisprudential requirements of the contracts and the financial mechanisms connecting them. Nevertheless, the present study does not provide empirical evidence that DPS members in Indonesian Islamic banks generally lack such competence. The model should therefore be understood as a proposed institutional arrangement that requires further assessment of existing DPS qualifications, organisational resources, and collaboration with risk-management and compliance functions. The Dynamic Sharia Monitoring System similarly represents a conceptual response to the possibility that Sharia risk may change during product implementation. A product that appears compliant at the approval stage may be implemented differently because of operational procedures, documentation practices, changes in pricing, or the treatment of ownership-related responsibilities. Periodic structural review may therefore complement the initial product assessment. However, the feasibility, cost, and effectiveness of such monitoring have not been tested in this study.

Accordingly, the SCRM framework should not be presented as a proven solution to weaknesses in Indonesian Sharia governance. Its practical value remains a theoretical assumption until it is applied to actual product structures and assessed by DSN-MUI, OJK, DPS members, risk-management officers, and product-development units. Its immediate contribution is to provide a structured analytical basis for such testing.

Recent empirical research on Islamic banking product development in Indonesia indicates that Sharia Supervisory Boards and bank management perform interconnected roles in developing and validating Sharia-compliant products (Faizi, 2024). This finding supports the involvement of the DPS from the early stages of product development, as proposed in the SCRM framework. However, Faizi's study does not specifically examine multi-akad interface risks; therefore, it supports the institutional role assigned to the DPS rather than empirically validating the taxonomy developed in the present study. Cross-country evidence also suggests that effective Sharia governance depends on both the attributes of the Sharia Supervisory Board and the quality of the internal procedures through which Sharia principles are implemented (Boudawara et al., 2023). This indicates that strengthening DPS competence alone may not be sufficient. Contract documentation, review procedures, risk controls, and coordination between governance functions are also required. The proposed Interface Risk Protocol and Dynamic Sharia Monitoring System are conceptually consistent with this procedural emphasis, although their practical effectiveness remains to be tested.

c. Comparative Considerations and Global Relevance

The selected contracts murabahah, wakalah, ijarah, and musharakah mutanaqishah are also used in Islamic financial institutions outside Indonesia. Therefore, the distinction between intra-contract risk and interface risk may have relevance beyond the Indonesian regulatory context. Nevertheless, the applicability of the proposed framework depends on the Sharia governance structure, regulatory authority, and product-approval process of each jurisdiction. Indonesia applies a layered governance structure involving DSN-MUI, OJK, and institution-level DPS. In jurisdictions such as Malaysia, Sharia governance is more closely connected to a centralised national Sharia authority, while Bahrain and several other Islamic finance markets make greater use of AAOIFI standards alongside national regulation and institution-level Sharia boards. These different structures may influence how Sharia decisions are standardised, how product disputes are resolved, and how individual institutions interpret contract combinations.

A centralised Sharia governance structure may reduce differences in interpretation between institutions because national Sharia resolutions have broader authority. However, centralisation does not automatically eliminate product-level interface risks. Even when the same Sharia standard applies across institutions, compliance still depends on the actual sequence of transactions, transfer of ownership, pricing arrangements, documentation, and operational implementation. Similarly, the use of AAOIFI or IFSB standards may provide more detailed governance and contractual guidance. However, standards-based supervision does not necessarily resolve every risk arising from the interaction of multiple contracts. General standards must still be translated into product-specific procedures, internal controls, and transaction documentation. Therefore, the regulatory strength of a jurisdiction should not be assessed only by the existence of central Sharia authorities or international standards, but also by how these principles are applied at the product and transaction levels.

Compared with these approaches, the Indonesian model has the advantage of combining national fatwa authority, financial regulation, and institution-level supervision. Its potential limitation is the need to ensure consistency between these three levels when evaluating complex multi-akad structures. The proposed Interface Risk Protocol may offer a common analytical language linking fatwa requirements, product approval, and institutional monitoring. However, these comparative observations remain conceptual. This study does not systematically examine the regulations, Sharia resolutions, product documents, or supervisory practices of Malaysia, Bahrain, the United Arab Emirates, or other jurisdictions. It therefore cannot conclude that one system is more effective than another. A valid comparison would require a separate analysis of national Sharia authority, product-approval procedures, DPS independence, disclosure requirements, audit mechanisms, and the treatment of similar multi-akad products across jurisdictions. The global relevance of the proposed framework should consequently be treated as a proposition for further research. Comparative studies may examine whether the same contractual interface produces different Sharia assessments under DSN-MUI fatwas, Malaysian Sharia resolutions, or AAOIFI standards. Such research would determine which components of the framework are generally applicable and which require adaptation to particular regulatory environments.

d. Limitations

This study has several limitations that should be acknowledged. First, the normative-qualitative methodology precludes empirical testing of the compliance risk hypotheses developed. Future research should conduct product-level case studies and empirical compliance audits of specific hybrid contract implementations in Indonesian Islamic banks to validate the interface risk classifications proposed in the SRT. Second, the study focuses on three dominant product typologies; a comprehensive Sharia Risk Taxonomy would need to extend to other multi-akad configurations, including those used in Islamic capital markets, takaful, and sukuk structures. Third, the institutional reform proposals in the SCRM Framework require implementation feasibility assessment through consultation with DSN-MUI, OJK, and the Indonesian Islamic banking industry, which is beyond the scope of this article.

CONCLUSION

This study examines Sharia compliance risks arising from the interaction of contracts in selected multi-akad structures in Indonesian Islamic banking. The analysis indicates that compliance problems may emerge not only within individual contracts but also at the interface between contracts, particularly in relation to ownership, contract sequencing, pricing, disclosure, agency, and risk allocation. Based on this distinction, the study develops a Sharia Risk Taxonomy that separates intra-contract risk from interface risk. The study also proposes an integrated Sharia Compliance and Risk Management framework consisting of the Maqaṣid-Based Evaluation Grid, the Interface Risk Protocol, the Dual Competence DPS model, and the Dynamic Sharia Monitoring System. These components are intended to support a more structured assessment of multi-akad products before approval and during implementation. However, because this study is normative and conceptual, the proposed framework should be understood as an analytical model rather than an empirically validated supervisory instrument.

For practical implementation, DSN-MUI may use the proposed taxonomy to assess the interaction between contracts in addition to evaluating each akad separately. OJK may incorporate interface-risk assessment into product approval and Sharia governance procedures. At the institutional level, the Sharia Supervisory Board may apply contract decomposition, interface mapping, and periodic structural review when evaluating multi-akad products. Islamic banks may also involve the DPS earlier in product development so that potential Sharia risks can be identified before the product is implemented. Further research should test the proposed taxonomy and framework through product-level case studies in Islamic banks, expert assessment involving Sharia scholars and risk-management practitioners, and interviews with DPS members, regulators, and product-development units. Empirical research is also required to determine whether the identified interface risks occur in practice and whether the proposed framework can improve the effectiveness of Sharia compliance monitoring.

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