

Introduction: Ethics, Governance, and Innovation in Contemporary Islamic Finance

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As the global economy navigates unprecedented technological, ethical, and environmental transformations, the need for innovative, inclusive, and sustainable financial frameworks has never been more pronounced. The current edition of *SUKUK: International Journal of Banking, Finance, Management and Business* (Vol. 5, No. 1, 2026) presents a collection of scholarly works that explore critical intersections between governance, ethics, finance, technology, and sustainable development. By bringing together studies on Shariah supervision, Islamic insurance, leadership-driven corporate strategy, AI governance, and Islamic FinTech, this volume reflects the diverse challenges and opportunities shaping contemporary financial systems.

The articles in this edition collectively highlight the evolving role of ethical and technology-driven mechanisms in advancing inclusive finance, enterprise resilience, strategic value creation, and sustainable development. From the operational intricacies of Islamic microfinance to the potential of AI and FinTech in reshaping governance and energy transition finance, each contribution underscores the importance of integrating ethical, institutional, and technological perspectives. Together, these studies offer evidence that contemporary finance is increasingly defined by its capacity to align profitability with social and environmental responsibility, while simultaneously addressing structural gaps in inclusion, governance, and risk management.

Furthermore, the edition demonstrates that contemporary financial discourse must engage with both traditional Islamic finance principles and emerging technological innovations. By bridging these domains, the articles illustrate how Shariah compliance, risk-sharing, mutual cooperation, and ethical oversight can be operationalised in innovative financial instruments, insurance models, digital platforms, and strategic corporate transactions. In doing so, this volume advances a nuanced understanding of how ethical finance and digitalisation jointly enable value creation, sustainability, and resilience in diverse institutional contexts.

Governance, Shariah Supervision, and Inclusive Financial Systems

The first thematic cluster sheds light on the intersection between geopolitical shifts and regional financial mechanisms, highlighting the role of emerging alliances in shaping economic strategy and resilience. A key contribution in this volume examines Indonesia's entry into BRICS, analysing how this membership positions the country within an increasingly multipolar world order. The article

explores both the economic benefits, such as expanded trade and investment flows, and the geopolitical leverage that comes with aligning with major emerging economies. At the same time, the study recognises the strategic challenges Indonesia must navigate, including balancing its regional commitments within ASEAN and ensuring that its engagement with BRICS translates into tangible domestic benefits.

Complementing this, another study turns to Southeast Asia's currency swap agreements as a crucial mechanism for regional financial governance. By reducing reliance on external institutions and strengthening liquidity support, these agreements are portrayed as vital tools for enhancing economic self-reliance in times of volatility. The analysis underscores the importance of strong governance frameworks, political will, and institutional coordination in ensuring the success of such regional initiatives. Together, these contributions highlight how geopolitical strategies and financial cooperation can serve as dual engines for strengthening resilience, ensuring that nations and regions remain agile in the face of global economic uncertainties.

Leadership, Strategic Value, and Technology-Driven Governance

The second cluster focuses on organisational leadership, AI, and the institutional implications of technological adoption in finance. *Leadership-Driven Value Creation in Cross-Border Mergers and Acquisitions* illustrates how effective leadership mediates market perceptions and shareholder value in international M&As. Using Microsoft as a case study, the research shows that strategic coherence, credibility, and organisational learning transform potentially risky cross-border transactions into value-enhancing investments. Leadership emerges as a critical mechanism bridging corporate strategy with market expectations, underscoring the intersection of governance, ethics, and performance in modern corporate finance.

In parallel, *Artificial Intelligence and Shariah Governance in Islamic Finance* examines AI as a transformative force within Shariah-compliant financial systems. The study emphasises that AI adoption requires a reconfiguration of traditional governance, shifting from ex post product approvals toward continuous lifecycle oversight. AI enhances operational efficiency, risk management, and financial inclusion but introduces Shariah-specific risks such as algorithmic opacity, data bias, and accountability gaps. Governance quality, therefore, becomes the critical mediator determining whether AI contributes positively to value creation while preserving ethical and religious integrity.

This cluster demonstrates the interdependence of human leadership, ethical oversight, and technological innovation in shaping organisational performance. Both studies reinforce the idea that effective governance—whether driven by leaders or embedded in AI systems—is central to translating strategic and technological capabilities into ethical, sustainable, and value-enhancing outcomes.

Islamic FinTech and Sustainable Development Finance

The third thematic cluster addresses the role of Islamic FinTech in promoting sustainable and inclusive finance, particularly in energy transition projects. *Financing the Energy Transition through Islamic FinTech* highlights mechanisms such as Shariah-compliant crowdfunding, green and digital sukuk, blockchain-based smart contracts, AI-driven project screening, and waqf- or zakat-based funding platforms. These innovations collectively facilitate mobilising private and diaspora capital, extending financial inclusion, improving transparency, and supporting SDGs.

The study also identifies operational and governance challenges, including Shariah compliance risks, technological vulnerabilities, regulatory fragmentation, greenwashing, and limited institutional capacity. By integrating ethical finance with technological efficiency, Islamic FinTech offers a transformative pathway for low-carbon energy financing, demonstrating that innovation can be aligned with social, environmental, and religious objectives.

This cluster underscores the convergence of finance, technology, and sustainability, illustrating that ethical financial mechanisms can be leveraged to address pressing global challenges. Islamic FinTech represents a model where inclusivity, accountability, and resilience intersect with cutting-edge technological solutions, offering practical and policy-relevant insights for regulators, financial institutions, and development stakeholders.

Conclusion

In summary, this edition of SUKUK Journal presents a comprehensive exploration of ethics, governance, technology, and financial innovation. The three thematic clusters—ethical governance in microfinance and takaful, leadership and AI-driven value creation, and Islamic FinTech for sustainable development—collectively highlight how contemporary finance can achieve inclusion, resilience, and strategic impact.

The volume demonstrates that financial systems today must reconcile profitability with social responsibility and sustainability. By integrating traditional Shariah principles with technological innovation and ethical oversight, the studies provide actionable insights for academics, practitioners, and policymakers seeking to design inclusive, accountable, and innovative financial frameworks. As such, this edition contributes meaningfully to scholarship on Islamic finance, corporate governance, and sustainable financial innovation, offering guidance for both emerging and developed markets.

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