UNIVERSITI TEKNOLOGI MARA

ISSUES RELATING TO THE PRACTICE OF BAI’ BITHAMAN ĀJIL (BBA) IN MALAYSIA: A CRITICAL ANALYSIS

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OCTOBER 2016
AUTHOR’S DECLARATION

I declare that work in this thesis was carried out accordance with the regulation of Universiti Teknologi MARA. It is original and is the result of my own work, unless otherwise indicated or acknowledge as referenced work. This thesis has not been submitted to my other academic institution or non-academic institution for any other diploma or qualification.

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ABSTRACT

Islamic financial industry experienced a massive growth over the last few years. Malaysia is one of the countries that show an amazing progress in this field. The current global financial crisis made some believe that the time has come for the Islamic finance to assume a greater role in the world of financial. Thus, a big step has been taken by introducing some Islamic finance products that can be applied well in this country in accordance with the Sharī’ah principle. One of the most preferred kinds of Islamic financing in Malaysian Islamic Banking Industry is Bay’ Bithaman Ājil or better known by its acronyms BBA. This is because of the easiness of this product to be compared to the others but in the same time, it is also considers as the most debated type of facility in terms of its validity and Sharī’ah compliance. This paper discusses the application of BBA in Malaysia and some possible issues that rise in the practice of this contract. This paper also attempts in suggesting the ways to overcome the disputable issues. This is to give benefit to the customer yet to the society so that, there will be no dispute happen in dealing with this contract. Library research and interview are the methods used in conducting this paper. Interview is conducted at Bank Islam Malaysia Berhad branch University Teknologi Mara.

**Keywords:** Bai’ Bithaman Ājil, Riba’, Sharī’ah, Bank, Islamic finance.
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