

**UNIVERSITI TEKNOLOGI MARA**

**UNDERSTANDING AND APPLYING SHARIAH  
PRINCIPLES IN ISLAMIC CREDIT CARD  
PRODUCTS: A STUDY AT MAYBANK TANAH  
MERAH**

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## ABSTRACT

The increasing awareness of Shariah-compliant financial practices has driven the demand for Islamic financial products in Malaysia, particularly Islamic credit. These products offer a Shariah-compliant alternative to conventional credit cards, adhering to principles that prohibit *riba* (interest), *gharar* (uncertainty), and unlawful transactions. Maybank Islamic Berhad, a leading institution in the Islamic banking sector, offers the Ikhwan Islamic credit card, which is structured on an *Ujrah* (fee-based service) contract to ensure compliance with Shariah laws. However, implementing this product remains a challenge, especially at the Maybank Tanah Merah branch level, due to the complexity of the Shariah contract and the varying levels of Shariah knowledge among bank officers. The background of this study is to understand and investigate the operation of Islamic credit cards at Maybank Tanah Merah branches, focusing on Shariah principles, compliance controls, and the influence of officers' Shariah knowledge on promoting this product. The findings indicate that through the implementation of the *Ujrah* contract on Islamic credit cards, transparency and alignment with modern financial practices are prioritized, although some officers show a modest understanding of Shariah principles. This gap impacts their ability to confidently explain product features to customers, which is a barrier to promoting Islamic financial products. Training initiatives were identified as a critical factor in improving Shariah knowledge, with respondents highlighting comprehensive workshops as beneficial. Apart from that, challenges such as the complexity of terms and customer misconceptions persist, emphasizing the need for simplified communication tools.

*Keyword: Shariah-compliant, Islamic credit card, Maybank Tanah Merah, Islamic Finance, Banking Practices, Shariah knowledge, Ujrah, Bay' Al-Inah, Tawarruq.*

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# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1 Introduction**

Islamic finance has gained significant traction in Malaysia as more Muslims seek financial products that align with Shariah principles. Among the popular offerings are Islamic credit cards, which provide an alternative to conventional credit cards by adhering to Shariah-compliant contracts that avoid practices like usury (riba) and uncertainty (gharar). Maybank Islamic Berhad, a leader in Malaysia's Islamic banking sector, offers the Ikhwan-i Islamic credit card, which operates based on the Ujrah (service fee) contract. This card offers flexibility and convenience while ensuring compliance with Islamic values. However, despite their growing presence, there are challenges in understanding the underlying Shariah contracts and ensuring the effective implementation of Shariah compliance controls at the branch level. The research aims to explore the application of Islamic credit cards at the Maybank Tanah Merah branch, focusing on the contracts used, the Shariah principles incorporated, and the role of Shariah knowledge among officers in promoting and managing these products. This study will provide insights into the operational effectiveness of Shariah-compliant financial products in Islamic banking and contribute to enhancing customer confidence and satisfaction in these services.

### **1.2 Research Background**

Along with the increasing awareness of the Muslim community on the importance of Shariah-compliant financial practices, Islamic financial products are increasingly gaining ground among consumers in Malaysia. According to (Islam, 2024) Islamic finance not only provides an alternative to the conventional financial system but also complies with Shariah principles that prohibit usury, gharar (uncertainty), and maysir (gambling). Among the increasingly popular Islamic financial products are Islamic credit cards. The widespread use of credit cards among the public has prompted financial institutions to introduce a new product in Islamic banking: Islamic credit cards. Financial institutions such as Maybank Islamic Berhad, one of Malaysia's main leaders in the Islamic finance industry, offer various Shariah-compliant financial products including Ikhwan (Islamic) credit cards. The Shariah Advisory Council of