

**THE CONCEPT OF CRIMINOLOGY (*BATHIL*) IN ISLAMIC FINANCIAL  
INSTITUTION PRACTICES IN MALAYSIA AND  
ISLAMIC REPUBLIC OF IRAN**



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## 2.0 LETTER OF OFFER (RESEARCH GRANT)



Surat kami : 100-RMI/ARI 16/6/2 (52/2010)  
Tarikh : 10 April 2012

Profesor Madya Ezani Yaakub  
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Tuan

### PERUBAHAN KELULUSAN PROJEK DI BAWAH GERAN PENYELIDIKAN ARI HICoE

Tajuk Projek : The Concept Of Criminology (Bathil) In Islamic Financial Institutions: Practices In Malaysia And Iran  
Kategori Projek : Kategori A  
Jumlah Peruntukan Asal : RM 57,000.00  
Jumlah Peruntukan Baru : RM 62,000.00  
Tempoh : 24 bulan (1 Julai 2010 – 30 Jun 2012)  
Ketua Projek : Profesor Madya Ezani Yaakub

Dengan hormatnya perkara di atas adalah dirujuk.

2. Perbincangan dengan pihak Institut Penyelidikan Perakaunan (ARI) telah memutuskan untuk menyusun semula kewangan projek penyelidikan di bawah dan pengurusan ARI/RMI.

3. Sukacita dimaklumkan bahawa projek penyelidikan tuan di bawah dana pengurusan ARI/RMI telah diubah kepada RM 62,000.00. Sehubungan itu, surat ini mengatasi surat kelulusan bertarikh 25 Ogos 2010 yang dikeluarkan oleh Institut Pengurusan Penyelidikan (RMI) berkenaan projek penyelidikan.

4. Untuk tujuan mengemaskini, puan adalah diminta untuk menyusun perancangan semula bajet yang baru dan surat setuju terima bajet yang seperti yang diluluskan.

Sekian, untuk makluman dan tindakan tuan selanjutnya.

Terima kasih

**“SELAMAT MENJALANKAN PENYELIDIKAN DENGAN JAYANYA”**

Yang benar

**MUSTAFAR KAMAL HAMZAH**  
Ketua Penyelidikan (Sains & Teknologi)

## 5.0 REPORT

### 5.1 PROPOSED EXECUTIVE SUMMARY

In Malaysia, Islamic banking system has been established as an alternative to existing conventional systems. The development of Islamic banking in Malaysia is divided into three stages. In the first stage, Bank Islam Malaysia Berhad (BIMB), the only Islamic Bank licensed under the Islamic Banking Act, 1983 was incorporated in March 1983. BIMB, like all banks in Malaysia, whether conventional or Islamic, are supervised by Bank Negara Malaysia (Malaysian Central Bank or BNM). The second stage is the introduction of *Skim Perbankan Tanpa Faedah* (SPTF) or Interest-free Banking Scheme (IFBS) and Islamic Banking Scheme (IBS). These schemes allowed the existing conventional bank to offer Islamic banking as part of their services. It was launched on 4<sup>th</sup> March 1993. In the third stage, the government has promoted Malaysia as a regional Islamic Financial Centre. Labuan has been declared as an International Offshore Financial Centre (IOFC). In the year 2002, the first Sovereign Global Islamic *Sukuk*, structured on the principal of *Ijarah*, amounting to USD600 million was launched. It signifies Malaysia's strong commitment in developing Islamic Banking and finance in the global front. In fact, Malaysia remains the world's leader in *Sukuk* issuance by both number and value, with 2010 trade totaling about \$40bn and in quarter II on 2011 totaling about \$31.5.<sup>2</sup>

However, the development of prevention method of Islamic financial criminology is insufficient. Most of the prevention was done within conventional framework such as cases of Islamic finance solved and heard in civil court which implements conventional system. In addition to that, most of the wrong-doers are non-Muslim and Muslims who have no exposure to Islamic finance due to their educational background. Thus, this research listed out types of prevention method done by Malaysia and compares the methods to I.R I.R of Iran since I.R of Iran implements full-fledge Islamic finance, and has succeeded to become the leader in Islamic finance among all countries in the world.

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<sup>2</sup>Yaakub, Ezani (2012) "*Sukuk* in Malaysia" (Paper presented International Conference On Islamic Finance 2 10&12 May 2012 in Collaboration Between ARI, CITU, UiTM Malaysia & Al-Mustafa International University, Qum, I.R of Iran).

## 5.2 ENHANCED EXECUTIVE SUMMARY

Practically, due to historical background, Malaysia implements dual economic system which composes of Islamic and conventional economy. The development of Islamic finance is mostly based on conventional framework and philosophy as well as the process of prevention method in Islamic finance even though the definition of crime in Islamic finance is totally different to conventional finance. As a result, ambiguities and conflicts arise regarding prevention approaches.

In Malaysia, prevention approach mostly focuses on policy making level. While I.R of Iran as Islamic country implements a wholly Islamic system including Islamic finance. Thus, this research aims to:

- i. explain the concept of criminology from Islam's view.
- ii. examine the practice of Islamic financial criminology crime prevention in Malaysia's and Islamic Republic of Iran.
- iii. suggest an improvement of the Islamic financial criminology prevention in both country.