

ICIBACC 2014

INTERNATIONAL CONFERENCE ON
ISLAMIC BUSINESS, ART,
CULTURE & COMMUNICATION

“Addressing Challenges & Sustaining
Excellence in a Globalised Malay &
Islamic World”

DEPARTMENT OF
RESEARCH & INDUSTRIAL LINKAGES
UNIVERSITI TEKNOLOGI MARA, MELAKA



KEMENTERIAN
PENDIDIKAN
MALAYSIA

AKEPT
AKADEMI KEPERAWATAN
PENGAJARAN TINGGI

HIGHER
EDUCATION
LEADERSHIP
ACADEMY



UNIVERSITI
TEKNOLOGI
MARA



sponsored by
KerangKerang
www.kerangkering.com

Ashin Green Sdn Bhd
Suria Pekar Sdn Bhd

HOW ISLAMIC BANKING DO JUSTICE TO MALAYSIAN SOCIETY?

Nur Khalidah Dahlan¹, Noor Inayah Yaa'kub², Mohd Rizal Palil³, Mohamad Abdul Hamid⁴

Institute of Malaysian and International Studies (IKMAS)¹
Universiti Kebangsaan Malaysia
nkhalidah@gmail.com
Global Wisdom Centre²
Universiti Islam Malaysia
Faculty Economic & Management³
Universiti Kebangsaan Malaysia
Faculty Economic & Management⁴
Universiti Kebangsaan Malaysia

Abstract

The term “Islamic banking” means the conduct of banking operations in parallel with Islamic teachings. In view of this definition, Islamic banks are expected not to have the same philosophies and objectives as adopted by the conventional banks; but theirs must be in line with the teachings of Islam. Islamic business entities are required to engage themselves in legitimate and lawful business, and to fulfil all obligations and responsibilities. All transactions are based on the concept of honesty, justice and equity. This paper seek to examine the economic aspect of justice in terms of Islamic banking. By comparing the pertinent literature on Islamic banking and conventional banking system, this paper also seek to describe the pros and cons on the Islamic Banking practices and compare its differences with the conventional banking practices in which how its reflect justice to the whole society.

Keywords: Islamic banking, Conventional banking, Riba, Gharar, Maysir, Multi Ethnicity