



**FACTORS INFLUENCING NEGATIVE PERCEPTION  
TOWARDS THE VALIDITY OF KWSP INVESTMENT FROM  
SHARIAH PERSPECTIVE AMONG RESIDENTS IN  
RAWANG**

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## ABSTRACT

Generally, investment means application of money for earning more money. Investment is very crucial because it is an activity that generates profit based on capital provided to secure a person from any difficulty in the future where it aims to increase the asset and profit. Investment also is one alternative for the person to make proper use of savings to meet their goals in life. There are many types and forms of investment depending to the organization philosophy and objective. Muslim is prohibited to engage with non Shariah compliance investment. There are views from Malaysian contemporary Islamic scholars pertaining to the existence of non Shariah compliance elements in KWSP investment. This issue leads to the negative perceptions among KWSP contributors regarding to its validity from Shariah perspective. So it is crucial to ensure that the investment activity is far away from any prohibitory elements in Islam such as *riba*, *gharar* and *maysir*. It must be legally permitted by Shariah, otherwise we'll involve in activity prohibited by Allah SWT. In Malaysia, KWSP act as a social organization which provides retirement benefits for members through management of their savings in an efficient and reliable manner. To ensure its sustainability in generating benefits to its member, KWSP had involved in investment sector. This study attempts to analyze factors influencing negative perception towards the validity of KWSP investment from Shariah perspective among residents in Rawang. Data collection will be conducted through distributing questionnaires with selected respondents as well as secondary sources such as books, articles from journal, conference proceedings and internet. In order to analyse the data collected, the SPSS statistical software will be used for the purpose of this analysis.

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# **CHAPTER 1**

## **1.1 INTRODUCTION**

This study is to examine factors influencing negative perception towards the validity of KWSP investment from Shariah perspective among residents in Rawang. This chapter discusses briefly on the overview of investment, background of study, problem statement, research objectives, research questions, scope of study, significant of study, limitation of study as well as summary of this chapter.

## **1.2 OVERVIEW OF INVESTMENT**

### **1.2.1 Investment**

Investment can be defined in various views according to different theories and principles. It is a term that can be used in a number of contexts. Generally, investment means application of money for earning more money. Investment also means savings made through delayed consumption. According to economist, to increase income or production output in the future is through investment by utilization of resources. On the other hand, finance professionals define an investment as money that been utilized for buying financial assets, for example stocks, bonds, real properties, and precious items. According to business theories, investment is an activity which manufacturer buys a physical asset, for example, stock or production equipment, in expectation that this will help their business to