UNIVERSITI TEKNOLOGI MARA

THE CHALLENGES OF ISLAMIC FINANCE INSTITUTION IN MALAYSIA: A CASE STUDY AT BANK ISLAM MALAYSIA BERHAD (BIMB) UITM PUNCAK ALAM

INTAN SYUHADA BINTI SHAHIRMAN

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AUTHOR’S DECLARATION

I decided that work in this thesis was carried out in 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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Name of student : Intan Syuhada Binti Shahirman

Student ID No. : 2014263314

Program : Diploma in Muamalat

Faculty : Academy of Contemporary Islamic Studies (ACIS)

Thesis Title : The Challenges of Islamic Finance Institution In Malaysia: A Case Study at Bank Islam Malaysia Berhad (BIMB) UITM Puncak Alam

Signature : ...............................................

Date : October 2016
ABSTRACT

Islamic financial institution has grown rapidly in Malaysia since it was introduced in 1970. It has been in existence for more than 30 years. The Enforcement of Islamic Banking Act 1983 allows the first Islamic bank established in the country and so on, with the liberalization of the Islamic financial system, more Islamic financial institutions have been established. Today, many Islamic financial institutions in Malaysia were globally connected to other countries such as Islamic foreign exchange. Malaysia continues to thrive and develop this industry by encouraging foreign financial institutions to establish an international Islamic banking business in Malaysia to undertake foreign currency business. Furthermore, Islamic finance plays an important role in this country that is in accordance with shariah-compliant. This research discusses the concept of management, the issues and challenges in Islamic finance. In addition, this research also plans to study the development and contribution of new products and innovation in Islamic finance. Therefore, this study had conducted interview sessions with Tuan Haji Azmi to find out if the problem still exists and what medium is suitable to use to disseminate the information. As a result, the findings from the data collected show that Islamic finance institutions in Malaysia faced many challenges from the aspect of management, customer, and facilities. Therefore, the findings from the data collected show that Islamic finance institutions in Malaysia faced many challenges from the aspect of management, customer, and facilities.

**Keyword:** Islamic financial institution, Bank Islam Malaysia Berhad (BIMB).
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