

UNIVERSITI TEKNOLOGI MARA

**PRACTISE OF AITAB IN VEHICLE PURCHASING
AT BANK RAKYAT**

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Academic Writing submitted in partial fulfillment of the requirements for
the degree of
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AUTHOR'S DECLARATION

I declare that the work in this thesis was carried out in accordance with the regulations 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 any other academic institution or non-academic institution for any degree or qualification.

I hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Post Graduate, Universiti Teknologi MARA, regulating the conduct of my study and research.

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ABSTRACT

The understanding from both parties is important in contract, if one of them give a wrong information, it will be misunderstanding among them. Beside both parties need to know the responsibility. The responsibility towards *ijarah* asset is determined by referring to the status of ownership held by parties to the contract. Such responsibility covers the aspect of maintenance and protection towards the underlying assets throughout the terms of *ijarah*. The asset meant here is the vehicle that corresponds with the studied product which is *al-Ijarah Thumma al-Bay* (AITAB). Such product is based on *ijarah* contract; thus, it must fulfill the crucial elements in *ijarah* and *bay* contract, its conditions, and must as well avoid any *shariah* prohibitions. As the Islamic Hire Purchase Act is absent, hence Conventional Hire Purchase Act 1967 must be followed in order to avoid any breach of contract. The impact of it is that there is a contradiction between the *shariah* and law enforcement regarding the risks of the responsibilities of contracting parties towards the asset where such risks are now under the responsibility of consumers whereby supposedly according to original theory of *ijarah*, such risks shall be assumed by the owner. Hence, the main objective of this study is to identify the position of leased asset and responsibility in *ijarah* according to *shariah* and law, as well as to evaluate the compliance of the practice of AITAB in terms of assets, responsibilities at Bank Rakyat as well as to analyze the method applied by the bank in determining the ownership of AITAB asset. The design of the study is qualitative by applying the approach of content analysis and case study. AITAB product in Bank Rakyat was chosen in this study. Data are collected through document analysis of Islamic jurisprudence books, journals and semi-structural interviews. The findings of this study are that the practice of assuming the responsibilities among contracting parties to the contract in Bank Rakyat have yet to fulfill the responsibility guidelines as desired in the contract of *ijarah*. The implication of this study illustrates the need of specific provision for AITAB products in handling such issues.

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