

UNIVERSITI TEKNOLOGI MARA

**APPLICATION OF DEFAULT TREATMENT IN
ISLAMIC BANKING INSTITUTION IN
MALAYSIA**

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Thesis submitted in 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 results of my own work, unless otherwise indicated or acknowledged 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 Under Graduate, Universiti Teknologi MARA, regulating the conduct of my study and research.

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ABSTRACT

Default treatment is one of the operations running in Islamic banking institution. It is closely related to debt culture. In Malaysia, there are specific resolutions and regulations that must be bind by this treatment. This study appoints how default treatment treats defaulters. Hence, this study was using qualitative method by applying internet research and interview session to gain information. E-resources from reliable website were used and a creditable informant was questioned during interview in order to search for accurate data and information. Yet, the pace of this treatment appears to be debated as is it assisting or promoting the same default treatment by any other conventional banking system. This treatment conducted is less emphasis on concept of *al-dayn*. There is no specific procedure to identify customers' problems in regard with type of finance they made resulting treatment they received which is believe should be implementing.

Keywords: Default treatment, Islamic banking institution, *al-dayn*

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