

**A COMPARATIVE STUDY BETWEEN ISLAMIC FINANCING SYSTEM &  
CONVENTIONAL FINANCING SYSTEM WITH REGARDS TO THE ISSUE OF  
PROPERTY PURCHASING IN MALAYSIA**

By

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Submitted in partial fulfilment of the requirements  
for the degree of Bachelor of Legal Studies (Hons)

**Universiti Teknologi MARA**  
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October 2007

The students/authors confirm that the work submitted is their own and that appropriate credit has been given where reference has been made to the work of others.

## ACKNOWLEDGEMENT

We hereby would like to express our utmost appreciation and gratitude to our ever helpful supervisor, Mr. Helmi Ibrahim who has made valuable contributions by guiding and providing us with a lot of relevant insights and materials through out the duration in completing this study.

We also would like to record our appreciation to the interviewee, Madam Azhury Yaakub who has spent her precious time in answering the interview questions posed to her. A big thank you to all the respondents for their contributions because without them, our study on the awareness level of the Malaysian public regarding the issue at hand will be greatly hampered.

We are very grateful to Madam Norha Abu Hanifah for approving the research proposal. Finally, our deepest appreciations are directed to our respective families and friends for their moral support and understanding.

Errors and omissions in this study are entirely ours and we would like to apologise for any mistake on our part.

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## **ABSTRACT**

Basically this study was initiated after realising that there are differences between the Islamic financing system and conventional financing system on the issues and problems regarding the sale/loan transactions given by both institutions when a purchaser/borrower wants to acquire any property or goods. It began with a proposal which was submitted and approved by the lecturer of the subject of Legal Research and Methodology.

This study will specifically look into whether the rights of both the property purchasers and the Islamic-based bank or conventional bank will be balanced when there has been a default of payment on the part of the purchaser/borrower regarding the sale/loan agreement. The study shall also include a compilation of data and information regarding the issue.

Through this study, it was found that the Malaysian public in general are not aware of the differences of both systems in the event of default of payment by the purchaser/borrower. At the end of the study, it can be concluded that both Islamic and conventional financing system has its own pros and cons with regard to safeguarding the rights of both the bank and the customers on the issue of property purchasing in Malaysia.

## TABLE OF CONTENTS

Acknowledgement	ii
Abstract	iii
List of Cases	vi
 <b>CHAPTER 1:INTRODUCTION</b>	 1
1.1 Introduction	2
1.2 Problem Statement	5
1.3 Objectives of the Study	6
1.4 Structured Outline	7
1.5 Limitation	7
1.6 Significance of the Study	8
 <b>CHAPTER 2: ISLAMIC FINANCIAL SYSTEM &amp; CONVENTIONAL FINANCIAL SYSTEM</b>	 10
2.1 Introduction	11
2.2 Islamic Financial System	11
2.2.1 Historical Background	11
2.2.2 Definition	13
2.2.3 Relevant Statute	16
2.2.4 How the System Works	17
2.2.5 Types of Contracts Involved	18
2.3 Conventional Financial System	19
2.3.1 Historical Background	19
2.3.2 Definition	20
2.3.3 Relevant Statutes	22
2.3.4 How the System Works	22
2.3.5 Types of Contracts Involved	22
2.4 Conclusion	23

<b>CHAPTER 3: METHODOLOGY &amp; FINDINGS</b>	<b>24</b>
3.1 Introduction	25
3.2 Qualitative Method	25
3.2.1 Interview	26
3.3 Quantitative Method	29
3.3.1 Survey	29
3.4 Conclusion	38
<b>CHAPTER 4: DISCUSSIONS</b>	<b>39</b>
4.1 Introduction	40
4.2 Discussion	40
4.2.1 Interview	40
4.2.2 Survey	43
4.3 Comparative Study Between the Two Systems	45
4.4 Problems Incurred by Both Systems	46
4.5 Conclusion	50
<b>CHAPTER 5: RECOMMENDATIONS &amp; OVERALL CONCLUSION</b>	<b>51</b>
5.1 Introduction	52
5.2 Recommendations	52
5.3 Overall Conclusion	55
Bibliography	56
Appendices	60
Appendix 1: Interview Questions	60
Appendix 2: Questionnaire Survey	62