

**UNIVERSITI TEKNOLOGI MARA**

**PERCEPTION OF MUSLIM COMMUNITY  
REGARDING ISLAMIC BANKING SYSTEM (IBS)  
THE STUDY IN : SEKSYEN 18, SHAH ALAM**

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Academic Writing submitted in partial fulfilment  
of the requirements for the  
**Bachelor of Muallamat (Hons.)**


**Academy of Contemporary Islamic Studies**

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## AUTHOR'S DECLARATION

I declare that the work in this academic writing was carried out in accordance with the regulations of University Teknologi MARA. It is original and is the results of my own work, unless otherwise indicated or acknowledged as referenced work. This academic writing 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, University Teknologi MARA, regulating the conduct of my study and research.

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## ABSTRACT

The first Islamic financial institution introduced in the Malaysian financial system was the establishment of the Board of Trustees and Tabung Haji (LUTH) in 1969. The spirit to restore all the glory of Islam to Islamic countries including Malaysia. Then, as a result of the report of the Bank Islamic National Steering Committee, a separate banking act, the Islamic Banking Act 1983 (IBA) on 7 April 1983, has been enacted to enable Islamic banking to operate in conventional banking. Bank Islam Malaysia Berhad (BIMB) was established on 1 July 1983 as Malaysia's first Islamic bank under IBA with a paid-up capital of RM80 million. Furthermore, the Islamic banking institutions are spreading throughout the country not only in Malaysia. However, nowadays, many issues raised by society through social media such as Islamic banking are also not transparent, practice 'riba', Islamic banking charges higher than conventional banks. This issue has eroded the beliefs of the society, especially the Islamic community towards the Islamic banking system. Therefore, this study is conducted to examine the extent of community knowledge of the Islamic banking system and whether knowledge and understanding of the Islamic banking system is an obstacle factor to the Islamic community in joining Islamic banking. This study was conducted in Shah Alam, Section 18, which is one of the focus areas to the community.

**Keywords:** Islamic banking system, Knowledge & Understanding, Shah Alam, Section 18.

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