



**SHARI'AH COMPLIANCE REVIEW OF PRIZE GIVING TO THE
PREMIUM SAVING CERTIFICATE HOLDER: CASE OF BANK
SIMPANAN NASIONAL**

AMIRA BINTI ALBHAR

2011872842

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FACULTY OF BUSINESS MANAGEMENT

UNIVERSITI TEKNOLOGI MARA

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ABSTRACT

In order to diversify its banking products, Bank Simpanan Nasional (BSN) had introduced Premium Saving Certificate to their customers. Premium Saving Certificate (PSC) offers various prizes to the selected lucky owners of PSC holder through lucky draw voting. This paper aims to analyze several issues regarding to the contract of PSC and the prizes given by the BSN from Shariah perspective. Among the issues that will be discussed includes the element of gambling, riba and violation the condition of Wadiah contract. In this research, data collection will be conducted through various types of references such as books, journal, proceeding papers and others. In order to strengthen the information collected, interviewing method will be performed to obtain first-hand information from the Bank Simpanan Nasional (BSN). This research discovers a non-Shariah compliant feature of premium savings certificates and provides few recommendations to overcome it.

CHAPTER 1

(INTRODUCTION AND BACKGROUND OF STUDY)

1.0 Introduction

1.1 The Overview Of Bank Simpanan Nasional

Bank Simpanan Nasional (BSN) was formed on December 1, 1974 under the Ministry of Finance. With its establishment, all duties and responsibilities of the Post Office Savings Bank was taken over by the BSN. The mission is to encourage savings, investment and prudent financial management among Malaysians to increase the quality of life of people.

Nowadays, BSN has over 5000 staff and over 380 branch network. BSN also have Automatic Teller Machine (ATM) facility and Cash Deposit Machine (CDM) in Malaysia. It has 7 million savings account holders with more than RM8 billion.

In addition to improve the quality of services, BSN is also expanding its products for the benefits all customers of this institution. BSN main products includes Personal Loan, Housing Loan, Premium Savings Certificate (SSP), Islamic Banking Scheme, Giro Savings Account, Debit Card BSN Matrix and Matrix-I as well as Visa and MasterCard Credit Cards