



**UNIVERSITI TEKNOLOGI MARA**

**IMPLEMENTATION OF *i-TAWARRUQ* (PERSONAL FINANCING AGREEMENT) AT BANK ISLAM MALAYSIA BERHAD (BIMB) IN DENAI ALAM SHAH ALAM, SELANGOR**

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## ABSTRACT

*Al-Tawarruq* is one of the instruments and products that are becoming more well knowns and employed by Islamic banks in Malaysia today. It is regarded as a viable alternative to *bai' al-inah*, which has several drawbacks and is debated. As a result, the goal of this study is to define the notion of BIMB's *i-Tawarruq* Personal Financing Agreement. This study also contributes to the investigation of the *i-Tawarruq* Personal Financing Agreement's implementation in Malaysian Islamic Banking Practices. Finally, this research contributes to a better understanding of how BIMB operates in terms of executing *i-Tawarruq* contracts in line with Islamic banking standards. Interviews with experienced bank employees were conducted as part of the qualitative research. According to the findings of this study, BIMB has implemented Personal Financing- *i-Tawarruq* in the best possible accordance with Islamic principles. However, there are dubious elements in its implementation at BIMB. The accumulation of elements that should not exist in Islamic banking products such as *gharar* and *riba* is known as *al-tawatu'* which is a preliminary agreement. Hopefully the findings of this study can help improve the implementation of personal *al-tawarruq* financing agreements at BIMB as well as be able to attract the public to obtain services from this product.

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