

ABSTRACT

Maulizatul Wahdah Amalia,1122003, The Justification of Bai Al-Inah Contract in Islamic Banking Products in Malaysia, Thesis, Departmenet of Islamic Business Law, Sharia Faculty, The State Islamic University (UIN) of Maulana Malik Ibrahim Malang. Supervising: Dr. H. Abbas Arfan, Lc., M.H.

Key Words: Justification, *Bai' Inah*, Islamic Banking Product

The existence of Islamic Banking in Malaysia year 1983 is one of the solution for Malaysian society to avoid from all kinds of Conventional Banking product that contain some elements of *riba*. In its development, Islamic Banking in Malaysia develope fastly with the purpose that is planned by Malayisan Governnet to parallelize between Islamic Banking and Convensional Banking. Various products that is published by Islamic Banking is based on the decision of MPS (*Majlis Penasihat Syari'ah*). From all products of Islamic Banking, there are some products use contract (*aqad*) that is still disputed by scholars and commonly also forbidden to use this kind of contract in some countries, for example credit card- i product use *bai' inah*. By the existence of the products use this kind of *aqad*, actually will make polemic of Islamic Banking in Malaysia to interest investors from other countries because they consider that it is forbidden.

On this basis, it appears two questions, how is the implementation and mecanism of *bai' inah* contract in Islamic Banking product in Malaysia and what aspects influenced the justification *bai' inah* contract in Islamic Banking products in Malaysia.

This research is normative research. This research uses statue and conceptual approaches. As commonly in the normative research uses secondary data that is taken from literature as primary material in compiling this research. Data collecting method that is used in this research is by determine, investigation, and analyze of legal material comprehensively, systematically, and structurally.

The conclusion from this research is that the implementation of the *bai' inah* contract on Islamic Banking products globally can be described by selling the asset in a credit and bought it back in cash. The implementation of *bai' inah* contract in *Pasaran Wang Antar Bank* (Islamic Interbank Money Market), especially in Government Investment Issues (GII) is as evidence of the government's debt to the customer. On the contrary, the implementation of *bai' inah* contract in *Terbitan Sijil Hutang Boleh Niaga* (Negotiable Islamic Debt Certificate) is as evidence of the

customer's debt to the bank. As for the implementation of *bai' inah* contract in credit card -i is as savings and credit limit for customers to make withdrawals or payments. They are three factors of *bai' inah* justification in Islamic Banking product in Malaysia are economic factor to parallelize between Islamic Banking and Conventional Banking, jurisdiction factor related to MPS (Majlis Pemusyawaratan Syari'ah) decisions, and social factor to increase islamic financial in local context.