



Did you know how is importance to choose Islamic banking in our financial planning?

- **Justice and Fairness:** The main feature of the Islamic model is that it is based on a profit-sharing principle, whereby the risk is shared by the bank and the customer. This system of financial intermediation will contribute to a more equitable distribution of income and wealth.
- **Liquidity:** Follow the profit and loss-sharing principle to mobilise resources and are less likely to face any sudden run on deposits. As such, they have a minimum need for maintaining high liquidity.
- **Transparency:** Transparent to the account holders on the investments made in different areas and the profits realized from these investments. The profit is then shared in the pre-agreed ratio.
- **Ethical and Moral Dimensions:** Their strong ethical and moral dimensions of doing business and selecting business activities to be financed, play an important role in promoting socially desirable investments and better individual/corporate behavior.



This article is prepared by Shariah Department of Bank Muamalat Malaysia Berhad

Excellent performance of Islamic financial instruments is achieved due to the cooperation and support from all parties, including all banking institutions that offer Islamic products and services, Bank Negara, the central government, state governments and statutory bodies. They have been successfully held religious policies, as well as to complete systems for regulating and promoting the development of Islamic banking in the country. No wonder if foreign countries also recognize Malaysia as an Islamic State to be reckoned with. This is because the political stability and economic power to be a catalyst for a strong banking sector in the country.

Overall, this is a healthy development of the great civilizations of the Muslims. It gives the impression that by implementing the Islamic system (in this context is the Islamic banking system) that has been entrusted by Allah, where we are all as His vicegerent, then progress will be achieved and all activities must be in seeking Allah's bless or consent.

Islamic Banking: an option or obligation?

Many Muslims nowadays state that Islamic Banking and Islamic Economic system is only as an alternative to them! In fact, it is not an obligation that must be implemented like five-time daily prayers.



The need for the existence of an Islamic banking system was characterized by a religious duty and follow that system is to be an obligation. This is a reality that must be embedded into the soul for those who are Muslims.

Dear readers! What is the real goal in our life?

We actually have born only to devotion to the one of Allah. Thus, the existence of the Islamic banking system is not an option, but it must be achieved and accomplished the concept of devotion. Just look at in the al-Quran in Surah az-Zaariyat, verse 56 means:

"And I have created Jinn and mankind except to devote himself to Me (Allah)."

As we mentioned earlier, we as a human being is the creation to complete for two and both are back to goal last dedication, first as a servant and second as His vicegerent. This is referred to in Surah al-An'am, verse 165 means:

"And He it is Who has made you vicegerent in the earth and has raised one over the other in degrees among you that He may try you in what He has given you. Undoubtedly, your Lord is not late in tormenting, and undoubtedly, He is necessarily Forgiving, Merciful."



Therefore, we should really understand that as His servant and His vicegerent:-

We have no choice except to obey and implement systems that have been gazetted by Allah to be practiced by human beings.

And it is not for those who believe, man or woman, when Allah and His messenger have decided an affair (they should not) have the right to choose their own resolution of their affair. And whoever disobeys Allah and His Messenger, he has strayed into clear error.

We must being confident and not just believe, that all commanded by the Creator contained full of benefits, advantages and wisdom, secular and religious. Allah has mentioned in Surah Ali-Imran: verse 58 means:

"This is what We recite to you (O Muhammad) of the Verses and the Wise Reminder (i.e. the Qur'an)."

All rules of Allah is intended to save humanity from slipping into systems as opposed to Shariah. Such as usury system is said to be the mother of sin to Allah. We should remember that in the Holy Quran only mentioned to sin of usury, Allah and His Prophet declared war to it.