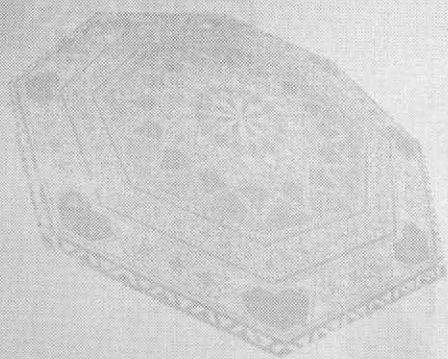
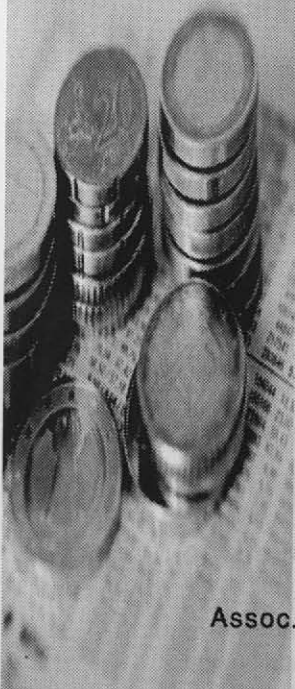




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IMPLEMENTATION OF MU'AMALAH HIRE-PURCHASE BILL IN MALAYSIA: CHASING A MIRAGE?

 N. IRWANI ABDULLAH *

ABSTRACT

Islamic hire-purchase (Al-Ijārah Thumma Al-Bai' or AITAB) is one of innovative products of Islamic banks in Malaysia. Since its first inception more than 10 years ago, AITAB has been governed by the Hire-Purchase Act 1967 (HPA). Notwithstanding the surge in popularity of AITAB amongst the general public, the product has received much criticism due to its inherent limitations especially with regards to its regulatory framework. Critique of AITAB posits the inherent limitation of HPA to effectively and efficiently govern AITAB transaction particularly when dealing with Sharī'ah issues. Consequently, Mu'amalah Hire-Purchase Bill had been proposed to Malaysian government to overcome certain limitations of HPA. The issue was, whether AITAB should be best governed either by having an independent regulation (known as Mu'amalah Bill), or simply incorporating Shari'ah principles within the existing regulation (HPA). Unfortunately in the recent

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