

Remedies for Default in Islamic Banking

Home and Car Financing

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The rapid development of Islamic banking in Malaysia, especially for the purpose of home and car financing, has given rise to legal disputes between Islamic financial institutions and their customers. As there is no specific law to compensate the financial institutions upon default by their customers in Islamic banking asset financing, the law of remedies comes into play to ensure the institutions are reimbursed adequately.

This book aims to deliver to readers a comprehensive understanding of the three popular Islamic asset financing facilities offered by financial institutions in Malaysia, i.e. *bai' bithaman ajil*, *ijarah* and *musyarakah mutanaqisah*. It contains the practical analysis of the remedies that are available following breach or default by customers. The issues that commonly arise are carefully considered to give readers clear and instructive guidance on how the particular remedies may be successfully sought for each type of financing.

For convenient reference and further research, Appendices reproducing selected Shariah resolutions and standards issued by Bank Negara Malaysia are provided.

This book will be an essential reference for Islamic banking law practitioners, students, banks and financial institutions. It will also serve those who aspire to seek or enhance their knowledge and understanding of Islamic banking asset financing and what follows upon default of payment.

About the Authors

Dr Rusni Hassan is a Professor at the Institute of Islamic Banking and Finance, International Islamic University Malaysia. She is also a Shariah committee member of a number of financial institutions in Malaysia. An active speaker on Islamic finance, she has authored many books as well as articles published in local and international journals on the area of Islamic finance.

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