

# Web of Science



Search Search Results

Tools Searches and alerts Search History Marked List

Full Text from Publisher



Save to Other File Formats

Add to Marked List

◀ 1 of 1 ▶

## Why Islamic Banks Are Reluctant to Offer Musharakah Mutanaqisah for Home Financing: The Case of Maybank Islamic and Affin Islamic Bank

By: [Zaaba, NIBMA](#) (Zaaba, Nurul Iffah Binti M. A.)<sup>[1]</sup>; [Hassan, R](#) (Hassan, Rusni)<sup>[1]</sup>

TURKISH JOURNAL OF ISLAMIC ECONOMICS-TUJISE

Volume: 6 Issue: 1 Pages: 51-65

DOI: 10.26414/A044

Published: FEB 2019

Document Type: Article

### Abstract

This paper focuses on the challenges faced by the Malaysian Islamic Banks in implementing Musharakah Mutanaqisah (MM) Home Financing. Even though the study is specifically on the Malaysian Islamic banks, but the issues and recommendations addressed in this study are also pertinent to other Islamic banks across the world since they are also offering it. Drawing upon in-depth semi-structured interviews with the senior officers in two leading Islamic banks in Malaysia, one is the bank which terminated its MM Home Financing products however the other one continues to offer it. Knowing the contradicting perspectives of both banks gives insight of the real challenges faced by them in offering MM for home financing which are advance rental and the system's incapability to capture the unique nature of MM, and at the same time to know the motivation of offering it i.e. product diversification and comprehensive risk mitigation. This paper concludes by making recommendations that may be adopted by Islamic banks and the regulators to facilitate the promotion of MM Home Financing. Notably, this paper offers empirical findings which are different from the previous literature.

### Keywords

**Author Keywords:** [Musharakah Mutanaqisah](#); [Islamic Bank](#); [Reluctant](#); [Reasons](#)

### Author Information

**Reprint Address:** Zaaba, NIBMA (reprint author)

+ Int Islamic Univ Malaysia, Selangor, Malaysia.

#### Addresses:

+ [ 1 ] Int Islamic Univ Malaysia, Selangor, Malaysia

**E-mail Addresses:** [iffahzaaba@gmail.com](mailto:iffahzaaba@gmail.com); [hirusni@iiu.edu.my](mailto:hirusni@iiu.edu.my)

### Publisher

RESEARCH CENTER ISLAMIC ECONOMICS-IKAM, AZIZ MAHMUT HUDAYI MAH TURBE KAPISI SOK NO 13 USKUDAR, ISTANBUL, 00000, TURKEY

### Categories / Classification

**Research Areas:** Business & Economics

**Web of Science Categories:** Economics

### Document Information

**Language:** English

**Accession Number:** WOS:000460151100003

**ISSN:** 2587-2303

**eISSN:** 2587-232X

### Other Information

**IDS Number:** HN4JV

**Cited References in Web of Science Core Collection:** 28

**Times Cited in Web of Science Core Collection:** 0

[See fewer data fields](#)

### Citation Network

In Web of Science Core Collection

0

Times Cited

[Create Citation Alert](#)

28

Cited References

[View Related Records](#)

### Use in Web of Science

Web of Science Usage Count

0

Last 180 Days

0

Since 2013

[Learn more](#)

This record is from:

Web of Science Core Collection  
- Emerging Sources Citation Index

#### Suggest a correction

*If you would like to improve the quality of the data in this record, please [suggest a correction](#).*

**Cited References: 28**Showing 28 of 28 [View All in Cited References page](#)*(from Web of Science Core Collection)*

1. **Prospects of Islamic banking: Reflections from Pakistan** Times Cited: 7  
By: Akram, M; Rafique, M; Alam, HM.  
Australian Journal of Business and Management Research Volume: 1 Issue: 2 Pages: 125-134 Published: 2011
2. Title: [not available] Times Cited: 3  
By: Ali, S. F.  
The Effect of Tocotrienols on Vascular Function Published: 2017  
Ph. D. thesis  
Publisher: RMIT University, Melbourne
3. **Musharakah Mutanaqisah home financing: issues in practice** Times Cited: 1  
By: Asadov, Alam; Sori, Zulkarnain Bin Muhamad; Ramadilli, Shamsher Mohamad; et al.  
JOURNAL OF ISLAMIC ACCOUNTING AND BUSINESS RESEARCH Volume: 9 Issue: 1 Pages: 91-103 Published: 2018
4. Title: [not available] Times Cited: 1  
Group Author(s): Asian Institute of Finance (AIF)  
Musharakah Mutanaqisah Home Financing Published: 2013
5. **Purchase Undertaking Issues in Musharakah Mutanaqisah Home Financing** Times Cited: 4  
By: Asmadi, M. N.  
ISRA International Journal of Islamic Finance Volume: 3 Issue: 1 Pages: 25-47 Published: 2011  
URL: [https://www.researchgate.net/publication/280802448\\_Purchase\\_undertaking\\_issues\\_in\\_musharakah\\_mutanaqisah\\_home\\_financing](https://www.researchgate.net/publication/280802448_Purchase_undertaking_issues_in_musharakah_mutanaqisah_home_financing)
6. Title: [not available] Times Cited: 1  
By: Azli, R.; Othman, R.; Sahri, M.; et al.  
Implementation of Maqasid Shari'ah in Islamic house financing: A study of the rights and responsibilities of contracting parties in Bai' Bithaman Ajil and Musharakah Mutanaqisah Published: 2011  
URL: <https://uitm.pure.elsevier.com/en/publications/implementation-of-maqasid-shariah-in-islamic-house-financing-a-st>  
[Show additional data]
7. Title: [not available] Times Cited: 1  
Group Author(s): Bank Negara Malaysia  
Resolutions of Shariah Advisory Council of Bank Negara Malaysia (n. d.)  
URL: [http://www.bnm.gov.my/guidelines/01\\_banking/04\\_prudential\\_stds/07\\_shariah\\_resolution.pdf](http://www.bnm.gov.my/guidelines/01_banking/04_prudential_stds/07_shariah_resolution.pdf)
8. Title: [not available] Times Cited: 1  
By: Hamzah, M.  
Personal Interview Published: November 20 2017
9. Title: [not available] Times Cited: 1  
By: Hanafi, H.  
Current Practices of Islamic Home Financing: A Case of Musharakah Mutanaqisah in Malaysia Published: 2014  
URL: [http://eprints.um.edu.my/13093/1/current\\_practices\\_of\\_islamic\\_home.pdf](http://eprints.um.edu.my/13093/1/current_practices_of_islamic_home.pdf)
10. **Musharakah mutanaqisah and legal issues: case study of Malaysia** Times Cited: 6  
By: Haneef, R.; Kunhibava, S.; Smolo, E.  
ISRA International Journal of Islamic Finance Volume: 3 Issue: 1 Pages: 93-122 Published: 2011
11. **Diminishing Balance Model for Islamic Home Finance: Final Version** Times Cited: 1  
By: Hasan, Z.  
MPRA Paper 32766 Published: 2011

Publisher: University Library of Munich, Germany  
 URL: <https://ideas.repec.org/p/pramprapa/32766.html>

12. **Mortgage Contracts in Islamic Home Finance: Musharakah Mutanaqisah Program Vs. Zubair Diminishing Balance Model** Times Cited: 1  
 By: Hasan, Z.  
 MPRA Paper 39067 Published: 2012  
 Publisher: University Library of Munich, Germany  
 URL: <https://ideas.repec.org/p/pramprapa/39067.html>
13. **Islamic Norms, The Excel Formula and Home Financing Models** Times Cited: 1  
 By: Hasan, Z.  
 MPRA Paper 47955 Published: 2012  
 Publisher: University Library of Munich, Germany  
 URL: <https://ideas.repec.org/p/pramprapa/47955.html>
14. **Musharakah Mutanaqisah Partnership in Malaysia's Islamic Bank: A Comparison Between Theory and Practice** Times Cited: 2  
 By: Lee, C. L.  
 American Journal of Economics and Business Administration Volume: 5 Issue: 3 Pages: 95-106 Published: 2013
15. **Juridical Review of Musyarakah Mutanaqisah (MMQ) Agreement on House Financing Transactions on Islamic Banking in Indonesia** Times Cited: 1  
 By: Maulin, M.  
 South East Asia Journal of Contemporary Business, Economics and Law Volume: 13 Issue: 4 Pages: 82-90 Published: 2017  
 URL: <http://seajbel.com/wp-content/uploads/2017/09/LAW-84.pdf>
16. Title: [not available] Times Cited: 2  
 By: Muhamad, S.; Abd Rahman, A.; Khalid, S.  
 An Evaluation on Musharakah Mutanaqisah Based House Financing by Islamic Banks in Malaysia Published: 2013  
 URL: <https://worldconferences.net/proceedings/icssr2013/toc/294>
17. Title: [not available] Times Cited: 1  
 By: Mydin Meera, A. A.; Abdul Razak, D.  
 Islamic Home Financing through Musharakah Mutanaqisah and al-Bay' Bithaman Ajil Contracts: A Comparative Analysis Published: 2005  
 URL: [http://irep.iium.edu.my/9713/1/\(1\)\\_-\\_MMP\\_paper\\_-\\_Review\\_of\\_Islamic\\_Econs.pdf](http://irep.iium.edu.my/9713/1/(1)_-_MMP_paper_-_Review_of_Islamic_Econs.pdf)
18. **Musharakah Mutanaqisah home financing: a review of literatures and practices of Islamic banks in Malaysia** Times Cited: 10  
 By: Osmani, Noor Mohammad; Abdullah, Md. Faruk.  
 International Review of Business Research Papers Volume: 6 Issue: 2 Pages: 272 - 282 Published: 2010
19. Title: [not available] Times Cited: 1  
 By: Rahim, M. F.  
 Personal Interview Published: December 4 2017
20. **Implementasi Musyarakah Mutanaqisah sebagai Alternatif Pembiayaan Murabahah di Perbankan Syariah Indonesia** Times Cited: 1  
 By: Ridwan, M.; Syahrudin.  
 Tsaqafah Volume: 9 Issue: 1 Pages: 101-122 Published: 2013
21. **Implementasi Akad Musyarakah Mutanaqishah pada Pembiayaan Kepemilikan Rumah di Bank Muamalat Lumajang** Times Cited: 1  
 By: Rohmi, P. K.  
 Iqtishoduna Volume: 5 Issue: 1 Pages: 17-37 Published: 2015  
 URL: <http://ejournal.iaisyarifuddin.ac.id/index.php/iqtishoduna/article/view/23/39>
22. Title: [not available] Times Cited: 1  
 By: Shofni, A.  
 Musharakah Mutanaqisah Home Financing in Malaysia: A Critical Appraisal Published: 2012  
 URL: [http://www.academia.edu/3336406/Musharakah\\_Mutanaqisah\\_Home\\_Financing\\_in\\_Malaysia\\_A\\_Critical\\_Appraisal](http://www.academia.edu/3336406/Musharakah_Mutanaqisah_Home_Financing_in_Malaysia_A_Critical_Appraisal)
23. **Musharakah Mutanaqisah Home Financing Products: An Implementation Analysis, Product Advantages and Issues at Citibank (Malaysia) Berhad** Times Cited: 2  
 By: Shuib, M. S.; Borhan, J. T.; AbuBakar, A.

Journal of Techno-Social Volume: 3 Issue: 2 Pages: 43-54 Published: 2011

24. Title: [not available] Times Cited: 1  
By: Smolo, E.; Hassan, K.  
The Potentials of Musharakah Mutanaqisah For Islamic Housing Finance Published: 2011  
URL: [https://www.researchgate.net/publication/227429505\\_The\\_potentials\\_of\\_musharakah\\_mutanaqisah\\_for\\_islamic\\_housing\\_finance](https://www.researchgate.net/publication/227429505_The_potentials_of_musharakah_mutanaqisah_for_islamic_housing_finance)
25. **The implication of mush arakah mutanaqisah in Malaysian Islamic banking arena: a perspective on legal documentation** Times Cited: 3  
By: Subky, K. H. M; Liu, J. Y; Abdullah, M. M; et al.  
International Journal of Management and Applied Research Volume: 4 Issue: 1 Pages: 17-30 Published: 2017  
[\[Show additional data\]](#)
26. **A qualitative inquiry into Islamic home financing: evidence from Malaysia** Times Cited: 2  
By: Wei, Kevin Loke Ke; Thaker, Hassanudin Mohd Thas  
QUALITATIVE RESEARCH IN FINANCIAL MARKETS Volume: 9 Issue: 2 Pages: 147-167 Published: 2017
27. **Rental index rate as an alternative to interest rate in Musharakah Mutanaqisah home financing A simulation approach** Times Cited: 3  
By: Yusof, Rosylin Bt Mohd; Mahfudz, Akhmad Affandi; Arif, Ahmad Suki Che Mohamed; et al.  
INTERNATIONAL JOURNAL OF ISLAMIC AND MIDDLE EASTERN FINANCE AND MANAGEMENT Volume: 9 Issue: 3 Pages: 397-416 Published: 2016
28. **Qualitative validation of a financially affordable Islamic home financing model** Times Cited: 1  
By: Zabri, Mohd Zaidi Md; Mohammed, Mustafa Omar  
ISRA INTERNATIONAL JOURNAL OF ISLAMIC FINANCE Volume: 10 Issue: 2 Pages: 143-161 Published: 2018

Showing 28 of 28 [View All in Cited References page](#)

Clarivate

Accelerating innovation

© 2019 Clarivate [Copyright notice](#) [Terms of use](#) [Privacy statement](#) [Cookie policy](#)

[Sign up for the Web of Science newsletter](#) [Follow us](#)

