Challenging in Public Acceptability of Islamic Banking

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Abstract : Although most Muslims are aware that Riba is a great sin in Islamic Shariah, they still do not find themselves inclined toward Islamic banking for their financial needs/activities/requirements. The main purpose of this research work is to analyse the general trend of people's views and miss conceptions among them regarding Islamic Banking and therefore suggest promoting Islamic banking. Scholars believe that Islamic finance is more stable than conventional banking because of the nature of its banking practices, which are based on real assets or partnerships. This is why Islamic banking is growing fastly worldwide, particularly in the wake of global financial crisis. Even though the scope of Islamic banking is expanding on a daily basis yet, it is not gaining the popularity it deserves. Islam declares war against Allah and his last messenger Hazrat Muhammad (PBUM) as it is a great sin and strictly forbids all interest-based transactions. Holy Quran revealed, O you who believe, do not eat up the amounts acquired through Riba (interest), doubled and multiplied. Fear Allah, so that you may be successful. Therefore a, true Muslim who believe in Judgement day always make all efforts in their life to avoid gambling and other speculative activities like Riba for themselves and their loved ones. If a Muslim does not fight against Riba to protect himself and his family, then his faith is meaningless. Allah issues warnings at numerous places in the holy Quran regarding Riba and its sin. Thus, Islamic banking is an alternative banking system where banking transactions are based on Islamic principles. The major component of Islamic Banking is Profit and loss sharing (PLS), as well as ensuring economic justice and equity.

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