

## REGIONAL ECONOMIC STUDIES PROGRAMME WEBINAR

### Webinar Series 2020-2021: Financial Transformation, Credit Markets and Household Debt in Southeast Asia

#### Drivers of Ar-Rahnu (pawn) acceptance: Malaysian evidence

Date : Thursday, 1 April 2021

Time : 4.00 pm – 5.15 pm (Singapore time)

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#### About the Webinar

The purpose of this paper is to examine the factor persuading the acceptance of Islamic pawn broking (Ar-Rahnu) among Islamic bank customers. We collected the data using a self-administered questionnaire design and analysed using SPSS Statistics and smart partial least square. The study is restricted to only respondents who are based in the area of Klang Valley (Selangor and Kuala Lumpur), as these two areas have a larger number of Islamic banks and a decent number of Islamic banks' clients. The constructs involved for analysis purpose are affect, social factor, facilitating conditions, perceived financial benefits and perceived risk constructs. The finding suggests a significant positive association for social factor and perceived risk, while negative association learnt for affect on acceptance of Ar-Rahnu financing. Furthermore, the facilitating condition and perceived financial benefit are found insignificantly related. The findings from this study are expected to enrich the literature on the body of knowledge, as it has served to broaden the understanding of the Ar-Rahnu (pawn) acceptance level in Malaysia. Moreover, the findings of this study will be very helpful for the Islamic financial institutions to find the best way to retain Ar-Rahnu clients and encourage more client to choose Ar-Rahnu as a mode of financing. This study owns greater potential to assist Islamic financial institutions to discover the best techniques to retain and encourage the grander number of clients for Ar-Rahnu as a mode of financing.

(the paper is co-authored by Ahmad Khaliq, Mohamed Asmy Mohd Thas Thaker, Anwar Allah Pitchay, and K. Chandra Sakaran)

Keywords: Ar-Rahnu (Pawn) financing, acceptance, Islamic financing, financial institution

#### About the Speaker



**Hassanudin Mohd Thas Thaker** is an associate professor of finance in the Department of Economics and Finance, Sunway University, Malaysia. He holds a PhD in Business Administration (Finance) from the International Islamic University Malaysia (IIUM). He teaches finance and economics related subjects. He is an active researcher in finance with contributions totaling more than 50 scholarly articles in journals, conference proceedings, workshops and symposiums. Scholarly publications in ranked

journals include: *Research in International Business and Finance*, *International Journal of Housing Markets and Analysis*, *Journal of Financial Reporting and Accounting*, *Qualitative Research in Financial Markets*, *International Journal of Islamic and Middle Eastern Finance and Management*, *Journal of Islamic Marketing*, *International Journal of Business and Systems Research*, *Journal of Islamic Accounting and Business Research* and *Property Management*. He had been awarded with: (i) Best paper awards (ii) Outstanding Paper- Academic Excellence Award by Emerald Group of Publishing (Emerald Literati) and the Vice-Chancellor's Research Award 2019. He is an active reviewer for numerous ranked academic journals, serves on the editorial members in selected journals and conference programme chair (Islamic Finance). He is also holding several grants from Ministry of Higher Education Malaysia, ADBI commissioned projects and others.

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## **About the Discussant**



Muhammad Rizky Prima Sakti is an assistant professor in Islamic finance at Department of Business Administration, University College of Bahrain. He is also a senior researcher at ISEFID - Islamic economics forum for Indonesian development. He received his Ph.D in finance from University of Technology Malaysia, and M.Sc in finance from International Islamic University Malaysia. He has worked as a research consultant at International Institute of Advanced Islamic Studies - IAIS (Malaysia), Islamic Research and Training Institute - IRTI (Saudi Arabia), and Alliance for Research on the Mediterranean and North Africa - ARENA, University of Tsukuba (Japan). He was a lecturer at IIUM Centre for Continuing Education (Malaysia) and UNITAR International University (Malaysia). He has published research in areas of corporate finance and Islamic finance with special focus on capital structure, corporate governance, investment, financial markets and banking institutions, Islamic banking, and Islamic social finance. As a young academician, he received a Highly Commended Award from Emerald Publisher in 2019, Young Researcher Award from the Society for the Advancement of Socio-Economics - SASE in 2018, Best Paper Award from Bank of Indonesia in 2018 and 2014, and Best Paper Award from Financial Services Authority of Indonesia in 2014 and 2013.