

AL-RAHNU

# Al Rahnū

- A valuable item is collateralised to a debt which may be utilised as payment should the debt is not repaid within the agreed period.
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# Historical Background

- 1. Muassasah Gadaian Islam Terengganu 1992.
- 2. Kedai Alrahn Perbadanan Kelantan Berhad 1992.
- 3. 1993. Ministry of finance- Al Rahnu Scheme
- BNM, YPEIM and Bank Rakyat
- 4. 2004- RM900 million with 1 million customers.
- 5. 2005- 156 Alrahnu outlets throughout Malaysia.

# Concept

- 1. Qardhul Hasan
- 2. Al-Rahnu
- 3. Alwadiyah

# Al-Rahnu Principles

- 1. The borrower (rahin) should submit the item to lender (Murtahin).
- 2. The item must be lawful
- 3. Rahin must pay the loan and murtahin to return. If no payment, murtahin may recover the loan and return the surplus.
- 4. Murtahin is responsible for the item.
- 5. If rahin dies, murtahin will get privilege amongst the lenders.

# Regulatory Framework

- 1. Akta Koperasi 1993.
- 2. Akta Keselamatan dan Kesihatan Pekerja
- 3. Akta Timbang dan Sukat
- 4. Akta Bank Rakyat 1978.
- 5. Akta Bank Pembangunan 2002
- Al-rahnu is not governed by the Pawn Broking Act 1972.

<b>Pawnbroking</b>	<b>Alrahnū</b>
<b>Not strict with the o/ship</b>	<b>Must prove with surat akuan</b>
<b>No specific checking on the item</b>	<b>Chemical test</b>
<b>Interest</b>	<b>Qardul Hasan+ wadiah</b>
<b>Redemption- anyone with receipt</b>	<b>Only rahin or wakil</b>

<b>Pawnbroking</b>	<b>Alrahn</b>
<b>Compensation <math>\frac{1}{4}</math> from loan amount if the item is broken</b>	<b>Proportionate value</b>
<b>If loan below RM200- Own by murtahin</b>	<b>Auction</b>
<b>Maximum RM10K</b>	<b>50-60% from the value.</b>
<b>Anything valuable</b>	<b>Only gold</b>



# AlRahnu at Bank Rakyat

- 1. Al rahnu
- Covers financing up to RM100-RM5000.
- 2. Al Zahab
- RM5001-50000
- Twice extension- automatic or application
- Only gold as collateral
- Concept: Qardhul Hasan, Wadiah and AlRahnu.