

A Study on the Establishment of Amana Investment Limited and Its Importance in Offering Shariah Compliant Products amidst Muslims in Sri Lanka

MH Mohamed Nairoos^{1*}

ABSTRACT. Banks and financial institutions are playing spacious role in the financial sector, everywhere in contemporary world. There are many conventional banks and financial institutions as well in Sri Lanka to offer various kinds of financial services and transactions amongst people. Nevertheless, the financial services of them are for the most part with the base of Interest. On the contrary, in accordance with Islamic Shariah, any kind of interest system in financial transactions has been completely prohibited. Consequently, it was very noteworthy to set up Islamic Financial Institution in the place of conventional banks and financial institutions for Muslims, on account of the financial system that they have which is based on the principles of Islamic Law and guided by Islamic Economics. In this manner, in the vital history of Sri Lankan financial sector, the establishment of Islamic financial institution initially occurred in 1997. At that moment, Amana Investments Limited, which is the pioneer Islamic financial Institution of the country, entered with the vision that, "World class Islamic financial solutions" in the market.

Since the establishment of Amana, the attitudes of Sri Lankan Muslims on financial affairs have been step by step changing. Therefore, this study clears up the importance and effects of the establishment, the development, and Shariah basis financial services of Amana amongst Muslims in Sri Lanka. The especial gaze has been given to deeply discuss the Shariah – compliant products which are provided by Amana such as Mudaraba, Murabaha, Musharaka, Ijara vehicle leasing, Ijara equipment & machinery leasing, Home Musharaka, Property Musharaka, Musawwama, and Imaad minors investment. The following facts can be plainly pointed out by means of this study as below;

Realization of the Importance and necessity of Islamic financial services has well increased among Muslims in Sri Lanka. Establishment of Amana is considered as a great replacement to the conventional Banks and financial institution for Sri Lankan Muslims. Financial services of Amana have been unceasingly expanded day by day amongst Muslims in Sri Lanka, Especially in Muslim dominated Areas, Amana offers diverse kinds of Shariah – compliant products instead of conventional financial service

Moreover, this study is based on primary and secondary research methods. So, direct interviews, discussion with specific groups, observations and the system of resource references are to be followed. The Books on Islamic Banking and finance, together with Magazines, Journals, leaflets, Newspapers, related WebPages, and other related Documents are used to obtain secondary data to carry out this research properly.

Key words: Establishment, Amana, Importance, Shariah – Compliant, Mudaraba.

* To whom correspondence should be addressed : nairoosmhm.fardas@yahoo.com

¹ Faculty of Arts and Culture, South Eastern University of Sri Lanka