

The Propagation of Non-Interest Banking in Nigeria: An Appraisal of the Ideological Risk

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Introduction

The passion in the propagation of Islamic banking in the modern age as a way of sensitizing the public and convincing the would-be investors and practitioners informs the basis for the multi-facets approach undertaken. The aggressive nature of the promoters in Nigeria have equally contributed to this, whether the driving force is merely to engage in this venture as an act of *ibadah* or as a part of the normal protocol on how the campaign should be carried out. The other factor is to convince the would-be customers and clients of the proposed Islamic Bank on its religiosity and viability. The population of Nigerians, particularly those who contribute to the driving force of the banking sub-sector in Nigeria, is a mixture of the Christians and Muslims in trade, business, financial and non-financial institutions. This factor therefore leads the academia, jurists and practitioners to place much reliance on the words of the two Holy Scriptures in order to achieve the goal of canvassing such people into patronizing the prospective Islamic Bank. But this act however raises a concern as to whether or not the use of Holy Scriptures can validly stand the tests of convincing the prospective customers. It should be mentioned that it appears this act will amount to sacrificing the legacy of Islam for the glory of another faith by graduality. This issue is the focus of this paper. The contents of this discourse include the introduction, definition of terms, historical basis of Islamic Bank, antecedent of Islamic Bank in Nigeria, contradistinction of non-interest banking as faith-based banking, recommendation and conclusion.

Definitions of Terms

- i. **Ideological conflict:** Disagreement of technical concepts based on the fundamental belief, principles or tenet guiding the conduct and affairs of such.
- ii. **Non-interest:** Interest free; that does not attract any form of interest through investment, enterprise or venture.
- iii. **Developing:** That which has not developed but on the struggle to become developed.
- iv. **Islamic bank:** Banking system that is being operated in strict compliance with the dos and don'ts of *Shari'ah*.

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The Historical Basis of Islamic Banking

The emergence of (modern) Islamic banking came into the limelight more than four decades ago at the world level even though Orisankoko¹ has argued it that the basis is traceable to the (savings) banking practised by the Holy Prophet Muhammad (SAW) and the pre-Islamic Arabian banking practice as well as the historic goldsmith that founded the modern conventional banking. Prophet Muhammad (SAW) also combined this savings banking with the practice of *Mudarabah*, as Ahmad explains:

*The mudarabah, for example, is an ancient financial instrument that was utilized by the Holy Prophet himself, who acted as a Mudarib (agent) for his wife.*²

Aburime and Alo³ have identified four primary features of Islamic banking, which include:

- i. Prohibition of interest
- ii. Low consumer lending
- iii. Profit and loss sharing (same as Profit and Risk Sharing)
- iv. High real sector investing

Furthermore, Ahmed⁴ submits that the modern day Islamic banking began like an initiative, though not without other prior attempts, in Mit Ghamr (Egyptian city) in 1963 and it has grown enormously worldwide:

Prior to the Mit Ghamar experience of 1963, small scale or limited scope interest free banks had been tried before, one in Malaysia in the mid-40s and another in Pakistan in the late 1950s. Neither of them survived. In 1962, the Malaysian government set up the 'pilgrims management fund' to help prospective pilgrims save and at the same time make a profit from the investment of the savings. This fund is what came to be known today as the 'Tabung Hajji.'

In the same vein, record has it that the 2nd Conference of the Foreign Ministers of Muslim countries held in Karachi, Pakistan, led to the emergence of modern Islamic mega banking, first with the mooted that failed for the institutionalization of Islamic Development Bank, Jeddah in 1975, though its chief goal was to provide project

¹ Orisankoko A.S. (2009): "An Appraisal of Unethical Practices in the Contemporary Nigerian Banking System vis-à-vis Recourse to Islamic Panacea." A conference paper presented at the 1st International Conference on Islamic Banking and Economic Reform, jointly organized by Department of Islamic Law, University of Ilorin, Ilorin, Nigeria, and IRTI of the International Development Bank, Jeddah, October 6-8, 2009, Pp 2-3

² S.A. Ahmed (2003): "Current Development in Islamic Banking and Finance: A Global Perspective in Islamic Banking and Finance; S. Sulyman and B.S. Galadanci (eds), p. 125

³ U. T. Aburimo & F. Alo (2009): "Islamic Banking: Theories, Practices and Insights for Nigeria", in International Review of Business Research Papers, Vol. 5 No 1, January 2009, p. 322

⁴ S.A. Ahmed, Pp.126-127

financing fund on free-interest basis. Same 1975 witnessed the establishment of début full-fledged commercial banking operation in Dubai, i.e. Dubai Islamic Bank; the Faisal Islamic Bank of Egypt, Sudan and Kuwait in 1978; Jordan Islamic Bank for Finance and Development in 1979 and later, the Bahrain Islamic Bank. Quoting Siddiqi, Aburime and Alo argued that:

*The pioneering effort, led by Ahmaad El-Najjar, took the forum of a savings bank based on profit-sharing in the Egyptian town of Mit-Ghamr in 1963. The bank was very popular and prospered. The experiment lasted until 1967, by which time there were nine such banks in the country. These banks neither charged nor paid interest, invested mostly by engaging in trade and industry, directly or in partnership with others, and shared the profit with their depositors.*⁵

Furthermore, non-Muslim dominated countries have equally valued the viability, practical essence and healthy commercial values emanating from this type of banking and have consequently commenced operation on it, with Citigroup (having a subsidiary as in Citi Islamic Investment Bank) and HSBC (having HSBC Amanah) leading in the global scene.

Today, the growth of Islamic/non-interest banking is rapid. Most countries have adopted it and it is certain that the capital base of this bank worldwide is on the geometric increase. It has similarly increased in sizes (branches and networking) across the globe. Several development and acceptable innovations have been embraced to the level by which Islamic banking progresses and it has also impacted positively on the revolutionary dimensions taking place in the conventional banking sub-sector. Adebayo⁶ comments that:

The success of Islamic banks made some conventional banks to start offering Islamic financial products, some of which consequently established Islamic branches dealing exclusively in Islamic products. According to Abdul Ghafar (2010:10), by the 1990s, over fifty Islamic Bank branches were established by the Citi Islamic in Bahrain, Grindlays in Karachi, and the National Commercial Bank in Saudi Arabia.

Islamic banking has no doubt transformed from being a mere assumption to reality, as it has become globally accepted to both Muslim and non-Muslim. The actual number of the Islamic bank cannot be given with precision. Sairally (2007: 280) cites Iqbal and Molyneux who put the number of Islamic banks as at 2004 at 70 excluding those in Iran and Sudan, 40 conventional banks offering Islamic banking windows, 200 Islamic investment funds and 70 Islamic insurance companies with a total market operation exceeding US \$150 billion. Ahmed (2003: 144-145) also has a catalogue of fifty four countries and the number of financial institutions in each of

⁵ U. T. Aburime & F. Alo, Pp. 322-323

⁶ R. I. ADEBAYO (2010): "The Motivating Factors for the Viability of Islamic Banking in Nigeria", being a paper presented at an International Conference on Islamic Banking and Finance, held at Crescent University, Abeokuta, Between 19th And 22nd March 2010, P.4

them with Sudan having the highest of thirty, followed by Bangladesh with twenty-five. The above might be with the exception of Saudi Arabia and the United Kingdom where Al-Rajhi Islamic Bank, which was established in 1987 in Saudi Arabia, is said to have had 362 branches, 451 ATM machines and 59 ladies branches in the United Kingdom (Salama, 2003: 159).

It is pertinent to examine the fact that “Islamic” and “Non-interest” are being used synonymously and interchangeably when referring to banking in Islamic way. How correct is this? This is vehemently objected to because an institutional product or service may be operated in such a way that it does not attract interest (*riba*) but yet it is not operation is devoid of Islamic recognition. So, therefore what is Islamic is any product and or service run mainly in strict compliance with the dictates of the Shari’ah provisions. Against this background, it is not sufficient to refer to non-interest banking window as Islamic bank or Islamic banking window, as most commonly do erroneously, so long the system operating it is alien to Islam. It should rather be delimited to a non-interest banking, such that any economic system can operate⁷ and as a result should not be branded Islamic.

World Interest Rates Table

	Country	Current Rate	Previous Rate	Change	Last Change
1.	Argentina	9.55%	9.6%	-0.05%	May 15 2010
2.	Australia	4.5%	4.25%	0.25%	May 04 2010
3.	Brazil	9.5%	8.75%	0.75%	Apr 28 2010
4.	Canada	0.25%	0.5%	-0.25%	Apr 21 2009
5.	Chile	0.5%	0.75%	-0.25%	Jul 10 2009
6.	China	5.31%	5.58%	-0.27%	Dec 22 2008
7.	Colombia	3%	3.5%	-0.5%	Apr 30 2010
8.	Czech Republic	1%	1.25%	-0.25%	Dec 16 2009
9.	Denmark	0.75%	1%	-0.25%	Jan 15 2010
10.	Egypt	8.25%	8.5%	-0.25%	Sep 22 2009
11.	European Monetary Union	1%	1.25%	-0.25%	May 07 2009
12.	Hong Kong SAR	0.5%	1.5%	-1%	Dec 17 2008
13.	Hungary	5.5%	5.75%	-0.25%	Mar 29 2010
14.	Iceland	8.5%	9%	-0.5%	May 05 2010
15.	India	5%	4.75%	0.25%	Mar 19 2010
16.	Indonesia	6.5%	6.75%	-0.25%	Aug 05 2009
17.	Israel	1.5%	1.25%	0.25%	Mar 28 2010
18.	Japan	0.1%	0.3%	-0.2%	Dec 19 2008
19.	Korea, Republic of	2%	3%	-1%	Feb 16 2009
20.	Malaysia	2.5%	2.25%	0.25%	May 12 2010
21.	Mexico	4.5%	4.75%	-0.25%	Jul 17 2010

⁷ <http://www.worldinterestrates.info/>

22.	New Zealand	2.5%	3%	-0.5%	Apr 29 2009
23.	Norway	1.75%	1.5%	0.25%	Dec 16 2009
24.	Pakistan	12.5%	13%	-0.5%	Sep 10 2009
25.	Peru	1.5%	1.25%	0.25%	May 9 2010
26.	Philippines	4%	4.25%	-0.25%	Jul 09 2009
27.	Poland	3.5%	3.75%	-0.25%	Jun 24 2009
28.	Russia	8%	8.25%	-0.25%	May 9 2010
29.	Saudi Arabia	2%	2.27%	-0.27%	Jan 10 2009
30.	Singapore	0.06%	0.05%	0.01%	May 22 2010
31.	Slovakia	1.75%	2.25%	-0.5%	May 13 2009
32.	South Africa	6.5%	7%	-0.5%	Mar 25 2010
33.	Sweden	0.25%	0.5%	-0.25%	Jul 02 2009
34.	Switzerland	0.25%	0.5%	-0.25%	Mar 12 2009
35.	Taiwan	1.25%	1.5%	-0.25%	Feb 19 2009
36.	Thailand	1.25%	1.5%	-0.25%	Apr 08 2009
37.	Turkey	6.5%	6.75%	-0.25%	Nov 20 2009
38.	Uae	1.79%	1.78%	0.01%	May 15 2010
39.	United Kingdom	0.5%	1%	-0.5%	Mar 05 2009
40.	United States	0.25%	1%	-0.75%	Dec 16 2008
41.	Venezuela	17.94%	18.99%	-1.05%	May 22 2010

The Antecedent of Islamic Bank Operation in Nigeria

The issue of Islamic banking operation in Nigeria is an issue that has caused confusion to many scholars. The popular perception and knowledge is that there has been nothing like Islamic bank operating in the Nigeria economic and financial history. Scholars of repute and other researchers have equally drenched in this misbelieve. Even when the situation became critical with the conscious Muslims according to Adebayo, the highest they subject themselves to is the age long subscription to operating current account, which does not totally replace or remedy the infiltration on ground. Adebayo further shares this ordeal thus:

However, while many Muslims are not satisfied with the operation of the conventional interest-based banking system for fear of incurring Allah's wrath, they are incapacitated by the fear of exposing their money to risk of theft should they decide to keep their money at home, or the fact that their wages will be paid to them through the banks, or rather, some other unavoidable transactions with these conventional banks which do not operate in line with the dictate of Allah. Those who opted for current accounts with these banks still stand the risk of moving in the periphery of usurious transaction, as this product has percolated element of interest to customers as well. It therefore becomes pertinent to put all hands on the deck to explore the available

*resources for the successful take-off of an Islamic bank in Nigeria to save the Ummah from perpetual drowning into these abominable transactions*⁸

The situation however became lighter and newer to the joy of the *Ummah* with the granting of the defunct Habib Bank a license to operate Islamic banking window. In the same vein, when Messrs Sanusi Lamido Aminu Sanusi assumed office in 2009 a parade of products non-interest (Islamic) banking window was developed, different from the current sectorial experience⁹. Thus, since ‘non-interest’ principle as well as the principle of ‘profit and risk-sharing’ constitute partial features of the Islamic banking, it suffices to conclude that approval for the operation of Islamic banking system in Nigeria dates back to 1991 though, but license was not granted to any bank until the year after. This in the words of Usman is explained thus:¹⁰

It, clearly, in section 9(2) sub-section (1) gives the necessary legal framework for the establishment of profit and loss banks in Nigeria. In fact, two of such banks were actually licensed in 1992 but, unfortunately, none has been able to start operation.

It should be noted that the operation of Islamic Bank in Nigeria and Nigeria economic and financial industry dates back to around the period of the Nigeria independence. There was an Islamic Bank, called **Muslim Bank West Africa Limited**. The operation of this bank though short lived. According to Ajayi, the operation of the bank was abruptly brought to an end when then Minister of Finance, Chief Obafemi Awolowo declared that the bank should be ceased operation in 1962. This bank is said to have operated in Lagos, where it used to have its head office. Accordingly, a house with a bold inscription ISLAMIC BANK HOUSE somewhere in Lagos is purportedly said to be where this bank has operated. In spite of its acclaimed extinction, evidences of its operation¹¹ can be traced to some two court cases it had with some other organization, which include:

1. On Opening a Bank Account:

United Nigerian Insurance Co. v. Muslim Bank West Africa Ltd. (1972): The Court held the bank negligent and thereby lost the protection of S. 77 (2) Bills of Exchange Act 1960 because it failed to obtain necessary references and follow proper banking procedure while opening a new current account.

⁸ R. I. ADEBAYO, P.5

⁹ Draft Framework For The Regulation And Supervision Of Non-Interest Banks In Nigeria, BSD/DIR/GEN/NIB/01/008, emanating from D. A. N. Eke, Ag, Director of Banking Supervision, March 4, 2009.

¹⁰ S. Usman (2003): “The Legal and Regulatory Issues of Islamic Banking in Nigeria,” in Islamic Banking and Finance, S. Sulaiman and B.S. Galadanci (eds), IIIT, Nigeria office, Kano, p. 41

¹¹ See: Ajayi O. A. (1999): “Law and Practice of Banking”, Andy-P Corporate Bureau, Ibadan, Pg. 57

2. *On the negligence of Bank:*

Nigerian Breweries Ltd. v. Muslim Bank West Africa Ltd. (1963)

The court held that where it was proved that the defendant was negligent, he could not claim the protection afforded by the Bill of Exchange Act 1960.

With the above clarification, it thus suffices to say that the operation of Islamic Bank in Nigeria in this modern day is rather a re-introduction of such and cannot therefore be the debut (first time experience). This pertains to Jaiz International Bank which is popularly put out to be the first of its kind in Nigeria. Though it is yet to commence operation as Adebayo substantiates:

In actual fact, Jaiz International Plc was about to start operation, when it was obstructed by the banking reform exercise of the Central Bank of Nigeria. The Jaiz International Plc was incorporated on 1st April 2003 as a public limited liability company and with the opportunity of establishing an Islamic banking institution in Nigeria. The approval to establish Jaiz Bank International Plc was given by the Central Bank of Nigeria and it subsequently raised over 2.5 billion Naira in 2003. However, the CBN new minimum capital requirement of N25 billion seems to have drawn the foot of Jaiz back, as it is still struggling to raise the amount since then.¹²

In the same vein, he adds to the credence of the Muslims' effort at establishing an Islamic Bank, even at the level of the State. This he puts thus:

It needs to be mentioned that the Zamfara State Government had initially taken a bold step to establish an Islamic Bank as part of its policy of application of full-fledged Islamic law. It however suspended this action in order to pool resources together for the successful take-off of the Jaiz International Bank.¹³

Contradistinction of Non-Interest Banking as a Divine Banking

Jurisprudentially, there is need to critically review the contradictory position of some scholars, who see the product of Islamic non-interest banking as similar to the Christian ideological concept of usury or interest prohibition. Many writers¹⁴ have often juxtaposed this tenet of both Islam and Christianity. I want to believe that this assumption is being used rather as strong weapon to either establish the authenticity of this mode of banking or convince the world that interest-classified dealing is against the commandment of God generally. But it appears there is a confusion or misplacement of order in this situation. Although, both Qur'an and Bible contain divine provisions that de-emphasize interest (*riba*) but applicability of the biblical

¹² R. I. Adebayo, P.5

¹³ R. I. Adebayo, P.11

¹⁴ Jaiz International Plc, private placement memorandum, p. 13; A.F. Bello (2003): "Divine Banking in Nigeria: The Qur'anic and Biblical Injunctions, an overview and the regulatory framework, Pp 47-54.

provision is not as comprehensively encompassing and relevant as the Holy Qur'an, when applied to banking operation. According to Bello:¹⁵

The glorious Qur'an and the Holy Bible,...have clearly and unequivocally prohibited usury or Riba, a type of contract in the pre-Islamic Arab world and the west today under which money lent would continue to increase in value. Both Islam and Christianity view Riba as exploitation of man by man, and for this reason, prohibited their followers from practising it.

Bello's position, there is no gainsaying, is of the opinion that both Qur'an and Bible disallow commercial activity that leads to making money continuously increase in value through *riba*. Generally speaking, the focal point of this view is the prohibition of *riba*, usury or interest because it leads to exploitation of man by man. One thing that is clear in this respect is that the writer has expressed his opinion in favour of canvassing people to embrace Islamic banking by simply entrenching its religious permission but the fact remains that the provisions of these divine scriptures differ distinctively. Analytically, one of these scriptures has a fundamental basis supporting this mode of banking while the other lacks it. Perhaps, many do not have a sound understanding of the term, "Islamic banking." The differences in the provisions of these two divine scriptures do not allow the fact that the Holy Bible contains *riba* prohibitory provisions to be sufficient in referring to it as an equivalent basis for justifying Islamic banking as divine banking. "Non-interest" product is not the only dominant business of Islamic banking. There are various other products and services that are not known to Christendom, in the face of religious interference. While any form Christian banking system, if any, cannot boast of such banking products operating under Islamic banking system. The following are the provisions of these divine scriptures, beginning with the Holy Qur'an: *Surah Al-Baqarah*, verse 275-276, 278-279:

Verse 275: Those who eat Riba (usury) will not stand (on the day of resurrection) except like standing of a person beaten by shaitan (satan) leading him to insanity. That is because they say, "trading is only like Riba (usury)," whereas Allah has permitted trading and forbidden riba (usury). So, whosoever receives an admonition from his Lord and stops eating riba (usury) shall not be punished for the past; his case is for Allah (to judge); but whoever returns (to Riba usury), such are the dwellers of the fire, they will abide therein.

Verse 276: Allah will destroy Riba (usury) and will give increase for sadaqat (deeds of charity, alms) and Allah likes not the disbelievers, sinners.

Verse 278: O you who believe! Be afraid of Allah and give up what remains (due to you) from Riba (usury) (from now onward), if you are (really) believers.

¹⁵ A. F. Bello, p. 49

Verse 279: *And if you do not do it, then take a notice of war from Allah and His messengers but if you repent, you shall.*

The Biblical provisions are as follows:

Deuteronomy 23, verse 19:

You shall not charge your interest to your brother, interest on money or food or anything that is lent out at interest.

Verse 20: *To a foreigner, you may charge interest, but to your brother, you shall not charge interest, that the Lord your God may bless you in all to which you set your hand in the land which you are entering to possess.*

Ezekiel 18, verse 8:

If he has not exacted usury nor taken any increase, but has withdrawn his hand from iniquity and executed true judgment between man and man.

Verse 13: *If he has exacted usury or taken increase, shall he then live? He shall not live! If he has done any of the abominations, he shall surely die; His blood shall be upon him.*

Verse 17: *Who has withdrawn his hand from the poor and not receive usury or increase, but has executed my judgments and walk in my statutes, he shall not die for the iniquity of his father; he shall surely live!*

Exodus 22, verse 25:

If you lend money to any of my people who are poor among you, you shall not be like a moneylender to him; you shall not charge him interest.

Luke 6, verse 34:

And if you lend to those from whom you hope to receive back, what credit is that to you? For even sinners lend to sinners to receive as much back.

Verse 35: *But love your enemies, do good, and lend, hoping for nothing in return; and your reward will be great, and you will be sons of the Most High. For He is kind to the unthankful and evil.*

Leviticus 25, verse 36:

Take no usury on interest from him; but fear your God, that your brother may live with you.

Verse 37: *You shall not lend him your money for usury, nor lend him your food at a profit.*

Proverb 28, verse 8:

One who increases his possessions by usury and extortion gathers it for him who will pity the poor.

Psalms 15, verse 5:

He who dares not put out his money at usury, nor does he take a bribe against the innocent. He who does these things shall never be moved.

From the above chapters and verses of both the Qur'an and Bible, it is discernible that the common ground shared by the two is just the prohibition of usury, *riba*, interest. There are a lot of differences too. It is on this basis that it is not sufficient to agree with the view of those who generalize 'Non-Interest banking' as a divine banking. Islamic banking can be said to mean a banking transaction that is founded, managed, organized and regulated based on the core values of Islam and the *Shari'ah* principles of *muamalat*. It deals fairly with everybody and makes the legal relation justiciable¹⁶. This is the nature of non-interest or Islamic banking in context. However, part of the differences barring the biblical injunctions from being referred to as the provision of Islamic banking (divine banking) is as follows:

In the first place, the business of banking is not intrinsically known to Christendom. There is no historical evidence alluding to the genesis of this in Christian theology¹⁷. The usury prohibition only related to commerce and that does not take any form of banking. Moreso, banking and commerce are not practically the same even if element of commerce were to be found in banking transaction. Banking merely helps to facilitate the business of commerce. Relying on Isaiah 24:2, it is inferred that:

*...it was a business in that age, the lender and borrower being social types.*¹⁸

The same is not the story with Islam; banking has a historical sedimentation in the practice of the Holy Prophet Muhammad (SAW)¹⁹ and so commerce. Aside the fact that Prophet Muhammad (SAW) was a farmer, he also traded (*mudarabah*) for Khadijat before their marriage. Likewise, he discouraged *riba* the pre-Islamic Arabians indulged in. A Hadith substantiates this:

*Narated Abu Sa'id Al-Khudri (R.A): once Bilal brought Barni (a kind of) dates to the Prophet (SAW) and the Prophet (SAW) asked him, "from where have you bought these?" Bilal replied, "I had some inferior kind of dates and exchanged two Sa' of it for one Sa of Barni dates, in order to give to the Prophet (SAW) to eat." Thereupon the Prophet (SAW) said, "Beware! Beware! This is definitely riba (usury)! This is definitely riba (usury)! Don't do so, but if you want to buy (a superior kind of dates) sell the inferior kind of dates for money and then buy the superior kind of dates with that kind of money"*²⁰.

¹⁶ See the case of *Alhaji Tijjani v. Kaadafo*, Unreported case, Suit No MCA/CV/115, holden in Kaduna on the 28/1/1961

¹⁷ Matthew 25:27 and Luke 19:23

¹⁸ Bible history.com, International Standard Bible Encyclopedia, www.bible-history.com. Accessed 2nd, December, 2009

¹⁹ Orisankoko A.S., "An Appraisal of the Unethical Practices...", p. 3

²⁰ Sahih Al-Bukhari, vol. 3, Hadith No. 506

To cap it all, it is categorically mentioned that “in Israel, there was no system of credit or commercial loans in Moses’ time and after.”²¹ Then, where is the place of banking of any form in the Christian chronology?

The legal injunction of the Holy Qur’an is clear on *riba*. Allah and His Prophet have prohibited *riba* (interest)²² for all and sundry. The Muslims must not discriminate in this regard; neither must they give it, prefer it on anybody nor can they demand or collect it from whomsoever.²³ This is not so with the Bible because a sort of contradiction is clearly and unequivocally unraveled. Notwithstanding the perception that “a poor man borrowed money because he is poor,”²⁴ when the provisions of Ezekiel, Exodus, Luke, Leviticus, Proverb and Psalm quoted above categorically condemn the acts of giving and taking interest, Deuteronomy 23, verse 19 and 20 classify those to be charged the payment of interest and those to be spared:

You shall not charge your interest to your brother-interest on money or food or anything that is lent out at interest.

To a foreigner, you may charge interest, but to your brother, you shall not charge interest, that the Lord your God may bless you in all to which you set your hand in the land which you are entering to possess.

If this is the case, the inference is that there is no outright prohibition of *riba*. And if there is none, then Bible and Christianity have not achieved anything in the war against *riba*. This can further be proved by the fact that:

In the New Testament, references to interest occur in the parable of the pounds (Luke 19:23) and of the Talents (Mt. 25:27). Here, the men were expected to put their master’s money out at interest, and condemnation followed the failure to do so. Thus, the principle of receiving interest, only it was not to be taken from a brother Israelite. In the New Testament, it is definitely encouraged²⁵.

Another point of difference is the status of enforceability of the Biblical injunction of usury prohibition. According to these provisions, they appear visibly to be more of moral persuasion and less of legal provision.²⁶ Moreso, the only provision appearing to have provided a punitive measure does not really spell out a definite penalty other

²¹ Biblehistory.com, op. cit.

²² *Riba*: usury, which is of two major kinds (a) *Riba an-Nasi* i.e. interest on lent money; (b) *Riba Al-fadi*, i.e. taking a superior thing of the same kind of good by giving more of the same kind of goods of inferior qualities, e.g. dates of superior quality for dates of inferior quality in great amounts.

²³ Qur’an and Hadith maintain the equality status of all mankind generally.

²⁴ Biblehistory.com

²⁵ Biblehistory.com

²⁶ See Deuteronomy 23:19-20; Ezekiel 18:8; Exodus 22:25; Luke 6:34-35; Leviticus 25:36-37; Proverb 28:8 and Psalm 15:5

than that the violator: “*shall die.*”²⁷ Since the reality is that all souls shall taste death²⁸, can this still be upheld as a penalty? Whereas, the Holy Qur’an has established the form of punishment(s) awaiting the dissidents:

*...but whoever returns (to riba [usury]), such are the dwellers of the fire, they will abide therein.*²⁹

To be well convinced about the verisimilitude of this Qur’anic provision as a penal measure, the rationale has been provided by Asein:³⁰

The central thesis of this school of thought is that law has a divine or supernatural origin and that for human laws to be legally valid, they must conform to certain objective moral principles based on the nature of man and the dictate of reason. Rooted in the remote past, this line of thinking started by recognizing the interplay of spiritual forces in the physical organization of human societies.

It is therefore sufficient to say at this juncture that these basic and obvious points of weakness, non-justiciability, contradiction and abrogation of usury prohibition in the Bible have posited the correct position of the Christian tenet on the issue. Therefore, Islamic banking as a divine banking is exclusive of the Christianity’s interest and biblical interplay.

Surmised to say that Christendom now favours usury when the underlying principles of Islamic banking completely and vehemently stand against it. More particularly, in view of the provisions of Luke 19:23, Matthew 25:27 and Deuteronomy 23:19-20, it does not justifiably worth it that Muslim proponents³¹ of Islamic banking should employ this basis to justify the viability, truthfulness, genuineness and prospect of this type of banking to canvass for patronage. *Shari’ah* as a working tool is sufficient to make the system work; makes the genuine investors (God-fearing and result-oriented) patronize it and the services embraced. Against this backdrop, to avoid further or similar attempt, the Holy Prophet Muhammad (SAW) cautions:

On the authority of Abu Abdullah an-Nu’man, the son of Bashir (RA) who said; I heard the Messenger of Allah (SAW) saying: verily that which is lawful is plain and that which is unlawful is plain and between the two of them are doubtful matters about which many people do not know. Thus, he who avoids doubtful matters clears

²⁷ See Ezekiel 18:13 and 17

²⁸ See also Qur’an

²⁹ Surah Al-Baqarah, verse 275

³⁰ J.O. Asein 92005): “Introduction to Nigerian Legal System,” 2nd edition. Ababa Press Ltd, Surulere, Lagos. p.10. See also A. Sanni (ed) (2006): “Introduction to Nigerian Legal Method, Obafemi Awolwo University Press Limited, Ile-Ife, Nigeria, Pp. 14-17

³¹ Jaiz International Plc: A.F. Bello, “the title, under which this paper was presented during the first seminar held in Kano, was “Emerging Opportunities for Divine Banking in Nigeria. Here, the title is modified to reflect the issues addressed by the paper. Alhaji Falalu Bello is the Managing Director, Intercity Bank Plc, Nigeria” (as he then was).

*himself in regard to his religion and his honour, but he who falls into that which is unlawful, like the shepherd who pastures around a sanctuary, may be he graze therein. Truly, everything has a sanctuary, and truly Allah's sanctuary in His prohibitions. Verily in the body, there is a morsel of flesh, which, if it be right, all the body is right and which, if it be diseased, all of it is deceased...*³²

Conclusion

Finally, not all religions prohibit *riba*, which is the basis for the particular banking service operated because of the conflict of inconsistency discovered, especially with regard to the argument and justification raised to favour Christianity. Hence, Bible is not sufficiently a basis to affiliate Divine Banking with Christianity on the basis of Non-Interest. This appears to be posing a serious danger to the firmness, virility, veracity and reliability of the only Scripture upon which Islamic Banking is founded. Al-Qur'an (and *Sunnah*). The two definitely suffice for the propagation of this banking. Attempt to harness any Scripture other than the provisions of *Shari'ah* is a plain testimony to the unreliability, incomprehensiveness and irrelevance of the *Shari'ah*. It gives the colouration therefore to the object of our propagation not to be Islamic as it is purely branded. This would otherwise make the *Ummah* and Islam lose the glory of being the owner of the Islamic Banking as it will be snatched and re-packaged, like most the other professions and fields³³, by the non-Muslims. We should not be surprise that some of them with bright sight for the prosperity of Islamic Banking have already commenced calling for a change of nomenclature³⁴.

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³² Reported by Bukhari and Muslim.

³³ Such fields as Chemistry, Algebra, Medicine, etc were all started by the early Islamic researchers, practitioners and scholars, in the early days of Islam.

³⁴ Prof. R. O. C. Somoye of Business and Finance Department, Crescent University suggested a change of its name from Islamic Bank to Divine Banking, during the recently International Conference on Banking, at Crescent University, Abeokuta, Ogun State, Between 19th And 22nd March 2010. See also: R. O. C. Somoye "The Role of Islamic Banking and Finance in the Sustainability of Enterprenuership and Innovation in Nigeria: A Faith Finance Hypothesis", being a Paper presented at the International Conference on Banking, at Crescent University, Abeokuta, Ogun State, Between 19th And 22nd March 2010, P. 16. "It was Islam that revived the human pursuit of science and it was through the Arabs, not the Romans that the modern world achieved light and power through science." Adeyemi K. A. (2000). History of Arabic And Islamic Education in Nigeria The Journey So far, in Seriki I. A. & Folorunsho M. A. (Eds.) Book of Readings in Arabic & Islamic Education, Alamseki Press Ltd., Ijebu-Ode.

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