

HISTORICAL BACKGROUND OF ISLAMIC BANKING IN NIGERIA

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ABSTRACT

Islamic Banking in Nigeria got approval from the Central Bank in 2011, after several years of attempts by different groups and organisations. A frame work released in the same year spell out guidelines for the establishment, operations, shari'ah governance and supervision of Islamic banks which can be standalone full-fledged institutions, subsidiaries or widows in this paper and attempts is made to discuss "Islamic Banking as a viable alternative to Conventional Banking in Nigeria. Methodology relied on biography appraisal of such studies that ate related to the study. The paper begin with a short background of Islamic Banking in Nigeria and follows with the basis for the introduction of Central Bank of Nigeria and Non interest financial institutions, Central Bank of Nigeria model, different between Islamic banking, challenges and prospect of Islamic banking and ends with suggestion that there should be a sharia supervisory board for any Islamic bank and that board should consists of trust worthy scholars who are highly qualified to issue fatawa on financial transactions.

KEYWORDS: *Islamic Banking, Viable, Alternative, Conventional*

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