

## **ABSTRAK**

*Being the first Islamic Bank authorized by Financial Services Authority (FSA) in 2004, Islamic Bank of Britain (IBB) is one important benchmark of the Islamic economic system's first growth outside the Middle East region or Islamic states. Since then, United Kingdom experienced various significant developments in economic environment such as the decrease in inflation, the decrease in unemployment rate and the inflow of various form of investments from Middle East and Islamic states. This phenomenon is rather unique because United Kingdom is not principally practicing Islamic economic system and instead, practicing Liberal-Capitalist economic system which has very opposite view compared to the Islamic one. This research employs a qualitative method using secondary datas (scientific books, journals, articles, quotes from research result, mass media, social media, and other documents needed) in it's process to identify any factors causing United Kingdom in the era of Tony Blair to give permission on the operational of Islamic Bank of Britain as the first Islamic bank in United Kingdom. This research showed that there is an influence from the pressure of Muslim society to establish an Islamic bank that can accommodate their needs for financial services without having to sacrifice their beliefs. On the other hand, a surplus in liquidity in the Middle East region and oil-exporting countries that must be captured at the time provided a major support for the government to execute the policy of authorizing Islamic banking operations in the United Kingdom.*

*Keywords: Islamic banks, United Kingdom, pressure, the Muslim community, surplus liquidity*