The current practice of Islamic banking in Malaysia has been criticised as insufficiently different from conventional banking. One of the foci of this criticism is the application of bay' al-'inah, sales contract with immediate repurchase, in creating a number of so-called Islamic financing products. The present article examines the classical jurists' assessment of the contract and then evaluates the justifications of the Malaysian National Shari'ah Advisory Committee (NSAC). As a case study, this article analyses the application of bay' al-'inah in inventing a credit card of Bank Islam Malaysia Berhad. Understanding the NSAC's justifications will help us comprehend their methodology and approach when approving other Islamic banking products in the country. © Koninklijke Brill NV, Leiden, 2012.