

AN IMPLEMENTATION OF GOLD INVESTMENT IN MALAYSIA: A CONTEMPORARY PRACTICE AT BANKING INSTITUTION AND NON-BANKING INSTITUTION

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Article history

Received date : 17-2-2021

Revised date : 18-2-2021

Accepted date : 16-3-2021

Published date : 31-3-2021

To cite this document:

Ezahar, R. J., Shuib, M. S., & Abdul Rahim, A. K. (2021). An Implementation of Gold Investment in Malaysia: A Contemporary Practice at Banking Institution and Non-Banking Institution. *Journal of Islamic, Social, Economics and Development (JISED)*, 6(35), 120 - 131.

Abstract: *The purpose of this study is to examine the characteristics of Islamic gold practice in Malaysia by comparing mean differences and similarities practice from different two institutions Bank Muamalat Malaysia Berhad (BMMB) and non-banking institution, Public Gold in their practicing of gold investments in contemporary days. This research adopts a qualitative study using the purposive sampling and interview technique of Public Gold (PG) as a pioneer gold trading company in Malaysia and Islamic bank institution Bank Muamalat Malaysia Berhad (BMMB). The research discovered that Public Gold and Bank Muamalat offered two types of gold investment which are physical gold and gold saving accounts. For the gold saving account PG namely Gold Accumulation Program (GAP) and BMMB Muamalat Gold-i purposely initiated for investment planning. The actual implementations have shown there were similarities characteristics within both products (GAP) and Muamalat Gold-i from aspects of gold-standard requirements and their fulfilled obligation of Shariah principles.*

Keywords: *Gold Investment, Gold, Shariah Compliance, Shariah Requirement*

Introduction

In the contemporary world nowadays, people had witnessed how so many trends of investment came to being and vary the approach to the economy. One of the increasingly common forms of investment in Malaysia, according to Syed Alwi et al., (2013), is a gold investment. This is because the gold has also been seen as a safe and demanding investment since centuries when investors invest in gold not for the sake of stockpiling the commodity as traditionally observed, but also as part of their investment risk mitigation strategy (Zainab and Neha, 2019). The investment in gold is still considered worthy along with Nawaz and Sudindra (2013) in the current market with these changes because it yields high returns and low scenario of high

volatility, rapidly changing market place, risks as compared to other types of assets. It is acceptable as various avenues for investment in gold were creating a means of investment worldwide with people do invest in gold in various forms such as bars, coins, jewelry, etc.

However, of late, new forms of gold investments are emerging which allows a person to invests in gold through non-physical too. These changes are attributable primarily due to the in gold was considered to be the most preferred means of the technology revolution and regulatory changes (Agarwalla et al., 2018), safety, convenience, and reliability investment (Baur et al., 2010). Worthington and Pahlavani (2007) revealed that gold is the asset that has attracted people for a thousand years and this attraction continues to the present day.

Despite gold has been considered as a safe investment avenue because of its several benefits, the enthusiasm of the gold investment activities and the eagerness of Muslim investor to participate in the gold investment have been so alarming because some of them do not realize that certain products, techniques, and gold marketing plans are not invalid from a legal point of view (Nordin et al., 2015). This is critical, as gold-related product varieties exist (Razimi and Azizan, 2017). The result of a study conducted by Nordin et al., (2015) has shown that most of the investment plans available on the market do not follow the simple gold transaction, especially about the gold transition. This is also confirmed by Nordin et al., (2018) four commercial banks are providing gold investment account which are CIMB, Maybank, KFH, and Public Bank, and only one has Islamic gold investment account, Kuwait Finance House. While according to Bank Negara Malaysia (BNM, 2017), Securities Commission Malaysia (SC, 2017), and Federal of Goldsmith and Jewelry Association of Malaysia (FGJAM, 2017) finding that Malaysia currently has nine outlets for the composition of the gold sector. Among that market composition, only commercial banks and the gold dinar Kelantan and Perak abide by sharia compliance. Also, many cases of fraud had been reported by private gold investment companies such as gold investment companies Geneva Malaysia Sdn. Bhd. which BNM considers being a scam (Zainal Abidin and Tan, 2016).

Sources from BNM reported that until Mei 2019, 438 entities and unauthorized web sites were supervised by BNM due to violation of the law and breach regulation rules by authority and doing illegal deposit money taking as Ponzi scheme, it increases by the years. All the listed companies are using by under registered name gold investment activities like money deposit and foreign money exchange (BNM, 2019). Due to confusion and lack of understanding of gold investment, the enthusiasm of the gold investment activities, many investors, including Muslim professional gold investment, are being attracted to fraud cases (Nordin et al., 2015).

This study, as there are many issues fraud cases involving gold investment, the researcher will place to provide the study into the process of gold investment products transacted in the modus operation. It will take consider comparing with the tenet basics of Islamic such as the method of purchase and selling gold, and redemption gold from both different institutions. The paper is organized as follows. The researcher will present a short review of the current gold investment activity in Malaysia in the next section, review of the literature followed by Methodology, findings and analysis part in a last. The conclusion was addressed at the end page as summarized the whole issues and discussions.

Review on Gold Investment Products in Malaysia

Gold has been defined as a highly liquid yet scarce asset which can be purchased as much as an investment as a luxury good. As such gold can play a source of long term returns in four fundamental roles in a portfolio, a diversifier that can mitigate losses in times of market stress, a liquid asset with no credit risk that has outperformed fiat currencies, and a mean to enhance overall portfolio performance (World Gold Council, 2019).

Gold has much potential as investment asset when many research has done proving that gold as a stable asset when the economic turn-down and uncertainties, safe haven, hedge inflation, keep intrinsic value, preserve wealth and strategic asset and gold can react positively to adverse market shocks (Agha et al., 2015; Nordin et al., 2015; Ibrahim, 2012; Syed Alwi et al., 2013; Johan, 2020). Gold remains stable even when the stock markets in the United States, the United Kingdom, and Germany declined significantly (Baur and Lucey, 2010). Gold as one of the best high long-term investment returns (Juisin & Amin, 2020).

Nine banks are offering gold investment and savings accounts based on the results of Abdullah (2019) report on gold as an alternative asset in Malaysia. These include Maybank, Public Bank, Kuwait Finance House (KFH), Standard Chartered Bank, CIMB Bank, Citibank, UOB Bank, HSBC Bank, and Bank Muamalat. However, to ensure the practices and activities of Islamic banks do not contradict the Islamic ethical standards for a banking institution, those all the banks are expected to establish a Shari'ah Supervisory Council (Abdala, 1994). Briston and El-Ashker (1986) argue that it is necessary for such a company like Islamic banks has in-house religious advisers who are collectively known Shariah Supervisory Board (SSB) to certify and verify that transaction complies with Shariah audit (Graiss and Pellegrini, 2006). Furthermore, products of gold investments nowadays come in a variety of forms and techniques plan to attract investors and customers to open the account and invests some of their large amount of money. Thus, the researcher here will provide details mechanism information of gold investment account modus operandi in the next section.

An Overview of Gold Investment Practice in Malaysia

In Malaysia, there are two different ways in which gold investment is provided to investors which are physical gold and gold account (Razimi et al., 2017; Johan, 2020). Physical gold refers to a method of transaction certain quantities of physical gold in different denominations that are sold to the customer at the Bank's branches resulting in the customer taking physical possession of the gold metals (Nordin et al., 2018). Customer can purchase Physical Gold from the bank and will receive Gold Card (certificate) upon every purchase transaction made. Likewise, the Gold account can be purchased over the counter, and internet banking and the transaction is based on Malaysia Ringgit (Johan, 2020). While according to Abd et al., (2013) defining physical gold investment, investors hold their gold investment in the physical form that can be divided into three categories; gold bars, gold coins, and jewellery. Gold coins are a common way of owning gold. The physical gold products are available in different sizes ranging from 5g, 10g, 20g, 50g, and 100g and its price according to their fine weight, plus a small premium based on supply and demand. For physical gold, an investor can hold their gold investment in the physical form while for a gold account, it is made through a bank account.

However, according to Juisin and Amin (2020) in Malaysia's context, gold investments are broken down into three (3) offerings which are include physical gold investments, gold investment accounts or gold savings accounts and block chains for improved financial returns of the prospective gold investors or gold investors itself. The evolved of the new technology

and digitalization also transforming a new way of buying and selling gold in contemporary days now. The system practiced through by single platform smartphone, mail or by telephone, fax, online or by other electronic from time to time which this manner have effective cost and easy to track the gold price anywhere and everywhere by using the electronic platform (Ezahar, Shuib & Rahim, 2020).

The Mechanisme of Gold Account Investment

The concept of gold investment in banking institutions in Malaysia though similar to the concept of opening of an account, it is not very different with the investment of physical gold since both apply the concept of buying and selling of gold. The gold account allows investors to make a deposit when gold prices are low and withdraw the funds when the gold price rises (Agha et al., 2015). With this, the profit earned is based on the difference of market gold price (Zain, Yaacob, Ahmad, Zakaria & Ghani, 2014). In Malaysia, several banks and companies are offering a gold saving account to the consumer and investors. The purpose gold investment account allows customers to make a gold investment in a convenient, secure, and affordable manner that allows customers to make a greater capital gain. It is also a hassle-free investment method that offers high liquidity to account holders since they can sell their holdings to the bank during trading hours Agha et al., (2015).

Through reviewing the application of each approach, this paper would allow those interested in this form of investment to have a thorough understanding of the mechanism of gold investment in Malaysia as opposed to the basic tenets of fundamental Islamic gold investments from two different institutions.

Recent trends show that Malaysian are increasingly becoming investors in gold as one of the Shariah-compliant wealth-protection mechanisms (Agha et al., 2015). The special features of gold, such as diversifier, haven inflationary hedge, universal acceptance, and transportability have made the gold demand the superior choice for investment purposes. Abd et al., (2013) stated gold investment was studied by many professional towards its ability to protect the wealth of investors against the overwhelming global financial crisis and economic uncertainty. Qanduz (2012) mentions gold investments are seen as high risks when it involved trading the invisible subject matter or subject matter possession by the seller during the transaction. While Abdul Hadi Awang (2016) found that the ambiguity aspects occurred in the gold saving account which offered by several bank institutions. An investigation of these issues is important to have a full understanding of the gold investment transaction process is purely *halal* and away from ambiguity products that customer choose. Furthermore, the researcher should provide an understanding to Muslim investors, public, industrial practitioners.

The limitation of the study is in terms of gold acts policy and regulations in monitoring the trading gold in the economic systems in Malaysia. Even knowing there are such government body like Shariah Advisory Board monitor and regulate these activities but little research is done to emphasize and focus the role of this body into the handling gold investments in Malaysia and how do they do to ensure the gold activities comply with Shariah and fulfill the Shariah requirements. Evaluating gold as ribawi items in Islam is important as it had different rules from any other item and usual buying selling transactions. Preserving the economic systems from any deceptive practices such as Riba from Islamic viewpoints is critical in achieving certain socio-economic objectives in line with the notion of justice, and in pursuing Maqasid Shariah.

Research Methodology

The data for this study were collected at the bank and gold investment company. The research design used in this study is a case study whereby a researcher makes some comparable cases and gains an in-depth understanding of the process in a natural setting occurred (Creswell, 2018). The method used in this study is primary, qualitative. This paper adopts the approach of qualitative analysis relevant to Malaysia's rising gold investment problems. Sources of evidence involved interviews, emails, and documents (i.e. archival research), primarily from the Central Bank of Malaysia (BNM), National Fatwa Council Malaysia, gold miners, gold manufacturer companies, bank product disclosure sheet, newspaper, magazines, goldsmiths and author's study.

Secondary data from documents, journals, and official websites. The technique used in this study is purposive sampling, using content analysis and inductive analysis to analyze the data. In the end, the researcher will discuss the findings by comparing mean differences and similarities practice from different two institutions Islamic banking institutions Bank Muamalat Malaysia Berhad (BMMB) according to the Islamic gold standard requirements. Bank Muamalat and Public Gold are selected as the research sample because they have similar attributes in offering a wide range of physical gold products (bars and coins) that are available for investors, goldsmiths and coin collectors, a large variety of gold coins are made available for investments (Agha et al., 2015).

Results and Discussion

Analysis Types of Gold Products

This study sought to investigate what types of gold investment products are offered by a banking institution and non-banking institution in Malaysia sample of Bank Muamalat and Public Gold. The analysis of types and gold investment products in both institutions Public Gold and Bank Muamalat has been presented in Table 1.

Table 1: Types of Gold Investment Products

| Institutions | Public Gold | Bank Muamalat |
|-------------------|---|-------------------------------------|
| Plan Product | Gold Accumulation Program (GAP) (Gold Account) | Muamalat Gold –i (Gold Account) |
| Category of Gold | a) Physical Gold (e.g., Gold Bar, Dinar) b) Gold Account | a) Physical Gold b) Gold Account |
| Purity | Gold Purity: Au 999.9 | Gold Purity 99.99% |
| Denomination | 1g, 5g, 10g, 20g, 50g, and 100g | 5g, 10g, 20g, 50g, and 100g |
| Initial Purchase | 1gm or RM 100 | 1gm or RM 10 |
| Storage Fee | Storage fee waived | Nil |
| Gold Authenticity | LBMA | LBMA |

Sources: Public Gold (2019), Bank Muamalat (2019).

Referring to Table 1 shows that Public Gold is offering two types of gold, physical gold, and gold account namely the Gold Accumulation Program (GAP) as the product of their investment in gold. GAP is a statement-based gold investment plan that provides the ability to invest in gold without the hassle of actual gold storage and transition (Agha et al., 2015) and this investment would allow greater capital benefit from the gold price appreciation, future higher returns, and effective platform to diversify investor's portfolio.

For physical gold, the investor may keep their gold investment in the form of exclusive customized gold bars and gold quality dinar au 999.9 in weight (gm) with denomination 1g, 5g, 10g, 20g, 50g, and 100g. Public Gold is Malaysia's first organization to introduce the Gold Accumulation Program (GAP) which helps the public to purchase actual gold on an allocated pool basis at a price as low as RM 100 or 1gm only as a way of preserving their wealth. The mechanism of this program is easy and transparent to all whereas GAP price will be shown live on Public Gold's official website for public viewing. GAP account will be accumulated until the investors decide to withdraw it at any time of the day in the forms of physical gold or cash. Public Gold allowed the withdrawal of a minimum of 1gm of physical gold and the fee waived of storage fees and low activation fees. GAP also had audited by an independent auditor. Public Gold had International Standard Safe Deposit Box, a wholly-owned of Public Gold Group offers safe facilities and services of international to safeguard the gold in its highly secured safe deposit box equipped with top-notch security features. At Public Safe, they provide insurance coverage up to RM 10,000 per box at an affordable fee. Public Gold was the first in Malaysia LBMA accredited gold and dinar wafer.

Meanwhile, in the case of Bank Muamalat Malaysia Berhad (BMMB), Muamalat Gold-i Account (MG-i) customers can start buying from minimum 1g or as low RM 10 worth of gold with the denomination of 5g, 10g, 20g, and 100g respectively with gold purity 99.99% and attached with gold-i Certicard that be issued on every Physical Gold transactions for the respective denominations sold at Bank Muamalat branches and their trusted agent Pos Malaysia Berhad. The returns on this account are subject to volatility in the world gold price and Malaysia Deposit Insurance Corporation (PIDM) does not cover the investment commodity. This account offers immediate liquidity, enabling customers to cash in on their savings during trading hours at any moment. In BMMB the gold storage fee was free of charge.

All MG-i physicals are acknowledged by the London Bullion Market Association (LBMA) the global authority for MG-I Physical. LBMA set standards from the purity, form, and provenance of the bars it to how gold is traded. All LBMA accredited gold bars are certified by the Chief Assayer of the Gold producer which includes information but not limited to gold content, fineness, minimum gross weight, and bar number. Overall, all the characteristics are quite similar and have no significant difference when comparing gold product investment PG and MG-i Physical. Each product has a similar method to offer the products either by a physical or gold account with fineness gold each au 999.99 and 99.99%. The investor may have the option to keep gold safety neither by choosing physical gold keep by bank nor through gold investment account for better safety. Otherwise, both products are certified by LBMA certification protected by insurance for PG.

Implementation of Gold Investment Products at Public Gold Marketing Sdn. Bhd (Public Gold) and Bank Muamalat Malaysia Berhad (BMMB)

The tenet principles below follow the guideline of gold parameters by National Fatwa Council Malaysia to ensure the operation and process transactions are fulfilled Shariah standard and acceptable in Islam law practice. Online transaction from an Islamic perspective denotes the same connotation as of the conventional way of commerce. The former, therefore, must also comply with all Islamic law requirements and principles of contracts such as free from any element of usury (*riba*), gambling (*maysir*), uncertainty (*gharar*), and coercion (*ikrah*). This Shariah requirement aims at protecting the interest and eliminating harm or parties involved in the transaction (Muhammad et al., 2013).

Table 2: Shariah Requirement of Gold Investment

| Tenets Principles | Gold Accumulation Program (GAP) | Muamalat Gold-I Account |
|-----------------------------------|---------------------------------|-------------------------|
| Contract Parties | √ | √ |
| Subject Matter (object and price) | √ | √ |
| Offer and acceptance | √ | √ |
| Method of Payment | √ | √ |
| Taqabudh (price and gold) | √ | √ |

Sources: Public Gold (2019), Bank Muamalat (2019).

Contracts Parties

Overall based on Shariah, the legitimacy of the e-commerce contract must adhere to all the four pillars of Islamic contract. According to Muslim scholars, four pillars must be fulfilled which are offer (*ijab*) and acceptance (*qabul*), two contracting parties, subject matter, and the mode of expression (*sighah*). Table 2 delineates the tenets of the Shariah principle of two different gold products GAP and Muamalat Gold-i. According to Shariah, all contracting parties whether in traditional trading or e-commerce, have to conclude a free or mutual consent contract (Vohrah and Aun, 2010). This was always recognized without any pressure, either directly or indirectly as the consensus of all sides (Jalil and Rahman, 2010).

GAP system online has fulfilled contracts parties as both contracting parties have clarity in the communication, the product offered clearly defined, details specification of pricing, delivery mode, and payment method specified. Second, receive the message in the agreement (concluding the contract) to achieve conformity. Thirdly, continuity of communication whether in the delivery of a message or through e-mail consultation between the two. Importantly, the payment must be Islamic and mode of the delivery the product must reach the buyer (Zainul et al., 2004).

Nevertheless, in the case of BMMB parties involved in the MG-i Physical transaction consist of Bank as Seller, the Bank in its capacity as a Gold Supplier's Agent sells the gold on behalf of gold supplier to the customer, or the Bank can also serve as a Buyer in a case that the Bank buys the gold from the customer on behalf of the Gold Supplier on redemption/sale transaction. In a gold physical transaction, a customer adhered as another party to act as the buyer which is the customer purchases the gold from the Bank (in their capacity as an agent of Gold Supplier) or customer acts as seller in the situation the customer sells the gold to the Bank upon

redemption/sale transaction. This addressed the parties' contract in the process transaction of Muamalat Gold-i.

Subject Matter (Object and Price)

In the GAP online system clearly describe the item gold to the categories as product name and unit price are shown transparent to the online consumer. This system online is playing as an interactive medium whereby it connecting sellers and buyers to promote and advertise the gold products to the online consumer through the computer screen. The first step for buying gold GAP, from the gold features display on the website, consumers may decide the kind of gold they want to buy whether looking for coins or bars or rather invest in gold futures. From the Shariah point of view, the subject matter that constitutes object and price must satisfy certain conditions that are primarily lawful, valuable, deliverable, in existence, and specifically defined for the validity of a contract. Thus, regarding the GAP product, it has met all criteria above.

While in BMMB, Buying Price refers to the indicative price the Bank purchases the Gold from the customer at Bank Muamalat banking hall and www.muamalat.com.my. Selling and Buying will be quoted daily during office hours in Malaysian Ringgit (MYR) by the Bank. Thus, through into this reflects that BMMB has disclosed the price of gold before the customer or investor engages the transaction. The actual Buying (Current) Price will be informed once you decide to sell the Gold. BMMB also serve their customer i- Muamalat Internet Banking with easy steps whereby selling and buying gold, access information, and a detail description of products are can be performed through the website www.i-muamalat.com.my. Through the online application, customer/investor may click in Gold-i or select Buy/Sell Gold to start the transaction.

Offer and Acceptance (Aqad)

Here the practical situation of the GAP offer and acceptance had adhered to the first term of the contract in Public Gold Homepage, in which the meeting session begins immediately with the seller advertising an item on the website (Al-'Ajluni, 2002; Al-Momani, 2004) that is connected, clear and consistent with the offer and acceptance. It is a consistent study from Muhammad et al., (2013) according to the Council of Islamic Fiqh Academy (2000), the contract is considered to be a contract between the parties when the parties are unable to see or hear each other physically or electronically, and bids and approvals are made through computer screens such as interactive websites and emails. The Council (2000) also decided that the contract was concluded when the offeror notified the offeree of the offer and the offeree notified the offeror of its acceptance (Al-'Ajluni, 2002).

The requirement to thicken on the box agree with term and condition and confirm order summary are considered as mutual consent or *sighah* in GAP system online. It is the expression of the will of both contracting parties and it could be words (act) or written (Zainul et al., 2004). Islam places a great emphasis on the need for mutual consent among the parties involved. The mutual consent indicates that in an agreement the commitment of the parties involved is indispensable, without which the contract is null and avoidable (Muhammad et al., 2013).

While for customers or investors in BMMB shall provide the Bank with a written acknowledgment declaring among others, that all information disclosed to the bank is true, complete and accurate and the customer has read, understood, and agreed to the features and risks of the MG-I Physical.

Method of Payment

After customers agree and understand the Term and Conditions, then payment can be performed. Since various e-payment systems are available including direct online credit, debit payments, mediated credit, and electronic bill payment (Ozkan et al., 2010), e-commerce payment mode requires an Islamic perspective assessment. However, according to the gold parameter, several methods that can be accepted are including payment by money cash, banker's checks, personal checks, debit cards, credit cards, or fund transfer from saving or current accounts.

The system online GAP enabling the customer to check and confirms the items they picked with price and quantity selected and the next system will directly to the login page to proceed payment and select the branch and payment method to pick up the products. Choose payment method as banking to proceed, upload transaction or payment slip, and wait for the staff to process the order as Public Gold's system will notify customers immediately after upload the transaction or payment slip. In the case forms of payments, PG accepts telegraphic transfer and Internet Banking.

BMMB Muamalat Gold-i method of payment requires the payment to be cleared before any transaction can be performed via cheque or any other payment methods, whichever applicable. For the purchase of physical gold, the customer shall be required to make some amount of deposit into the relevant account equivalent to the gold amount. Upon signing the relevant documents of MG-i Physical, the Bank shall debit the customer's relevant savings or current account for the gold amount.

Taqabbudh

Taqabbudh means the handover activities between two contract parties that are buying and selling or contract provider and contract receiver (Azizi & Ahmad, 2018). The element of *taqabbudh* has to become the compulsory part of the gold investment practice as it is strictly emphasized by the Prophet (pbuh) in the hadith to avoid the *riba* and *gharar* occurred in the gold transaction. Therefore, after the payment process successfully, the seller parties will notify immediately the process order and the customer may upload the payment slip and may check order history. Upon payment received and the customer will be given a payment slip (represent the gold) as proof that the transaction has been completed. In this case, PG considered providing a written proof to show that the customer now has the '*tasarruf*' (the rights to sell the purchased gold at any stage at the spot) (agha et al., 2015). Therefore, gold bought by investors will be deposited into a gold account under this GAP mechanism (Ghazali, et al., 2015). The customer shall be guaranteed the amount of gold that has been deposited to the Public Gold.

Importantly, Gold buying and selling must be performed immediately and should not be delayed in its delivery. Here, through the online system GAP, *taqabbudh* aspect which requires immediate spot transaction money and hands over gold has fulfilled these criteria as be highlighted in a gold parameter.

In Muamalat Gold-i, customers will buy gold from the Bank and the customer must receive a Gold Certicard for any purchase transaction. The bank shall forthwith record the purchase transaction in the system on the certicard serial number and quantity of purchased gold, the denomination, and the gold amount at the time of purchase as it affects the redemption of the gold. Certicard is a tamper-evident packaging that states the technical and the bar number of

the gold and contains a description of gold purchased (i.e. gold fineness, weight) including the gold amount. Bank shall check the records of the customer in the Bank's record and only the customer who is registered as the purchaser or owner of the gold or the authorized signatories of the MG-i Physical shall be allowed to perform the redemption transaction.

Results and Discussions

This paper examines the types of gold investment products in Malaysia from banking institution Bank Muamalat Malaysia Berhad (BMMB) and non-banking and Public Gold as the pioneer in gold trading and investment. In general, there are two types of gold product practiced in Bank Muamalat Malaysia Berhad (BMMB) and Public Gold, physical gold and gold investment account. BMMB introduced gold investment plan products namely Muamalat Gold-i while Public Gold product Gold Accumulation Program (GAP). We find some similarities between GAP products and Muamalat Gold-i. Firstly, both products are purposely for investments that have LBMA accredited gold bar certified by the Chief Assayer of the gold producer as a prove of authentication gold from international certification. Even have different minimum initial purchase between GAP and Muamalat Gold-i, buying starting with RM 100 or 1gram and RM 10 minimum respectively for BMMB, each of these two products are protected insurance and takaful. Nevertheless, discussing the tenet principles of gold Investment practice between both these institutions, all the criteria have been fulfilled and meet the Islamic gold investment concepts and specifically the four pillars buying and selling as it follows as stated from the guideline.

Conclusion

In conclusion, from the findings of the study, gold investment in Malaysia in contemporary practice at banking institution BMMB and non-banking institution PG has made a significant contribution to our understanding of real meaning experience in the actual situation. Although the results of the current research have provided useful and significant observations, the study's limitations are acknowledged. Importantly, future work to explore the gold trading rule and regulation of gold trading rule and regulation is required. It is important for the ongoing study to see how far the regulation like government plays the role of ensuring the gold mining companies, gold traders do not deviate from the gold investment portfolio laws and regulations.

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