

SHARIAH GOLD INVESTMENT IN MALAYSIA: PROSPECTS AND CHALLENGES

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ABSTRACT

Malaysia encompasses three types of offerings in gold investment platform. The often and traditional way of gold investing is through physical gold investment. The physical gold investment includes of gold bar, gold wafer, gold coin and to name a few. Since the development of the banking system, Gold Investment Account (GIA) or Gold Savings Account (GSA) was emerging beginning from the year of 2010 in Malaysia. Following, the advancement and sophisticated of financial technology (FinTech), blockchain has launched for the sake of convenience in terms of time and cost of gold storing. Notably, there are two approaches of gold investing in Malaysia viz *shariah*-based gold investment and conventional-based gold investment. Accordingly, this paper explores the focal of prospects and challenges on *shariah* gold investment in Malaysia to tap the gap of scarce studies examining the prospects and issues in gold investment. Indeed, Muslims are vital for choosing and involved on the *shariah*-based products and services in daily life. The gold services provider must adhere to the needs of the *Shariah* essence on gold transaction. The reason is to avoid the breaching on the *Shariah* law as well as biased to other parties. Therefore, this paper adopts the qualitative research method for the discussion. It perhaps may help and shed some light towards *Shariah* gold investment from the context of Malaysia.

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1. INTRODUCTION

Malaysia has launched its first renowned gold bullion coin in July 2001 namely *Kijang Emas*. Historically, the launching of *Kijang Emas* makes Malaysia to be the 12th nation issued a gold bullion coin in the world. Dato' Seri Dr. Mahathir Bin Mohamad, the Prime Minister of Malaysia on that time is the eminent person in propelling the *Kijang Emas* gold bullion coin. Furthermore, one of the most momentous institute in minting the alluring *Kijang Emas* gold bullion coin is The Royal Mint of Malaysia. Meanwhile, Maybank Berhad and Bumiputra Commerce Bank Berhad was appointed in terms of distribution (Bank Negara Malaysia, 2001). Two years later, the Royal Mint of Malaysia

introduced the first gold dinar on 27th July 2003. In the case of the gold dinar, Dato' Seri Dr. Mahathir Bin Mohamad are desire and committed with the idea of implementing the gold dinar as a medium of payment among Organization of Islamic Cooperation countries. These methods of payment known as Bilateral Payment Agreement (BPA) and Multilateral Payment Agreement (MPA) (Nuradli Ridzwan Shah Mohd Dali & Norhayati Mat Husin, 2004). Generally speaking, the launching of the gold products is to enhance awareness among Malaysian to possess, support and buy local gold products.

Ensuing the successfully of gold product launching by the Royal Mint of Malaysia, Kelantan Gold Dinar or called as *Dinar Emas Kelantan* (DEK) administered by Kelantan Gold Trade Sendirian Berhad was established. It has initiated their gold dinar on 21st May 2006 (Ibrahim, 2012; Salmy Edawati Yaacob, Wan Kamal Mujani, Zaini Nasohah Mohd Kusrin, & Mohd Al-Adib Samuri, 2012). The Kelantan Gold Trade Sdn. Bhd. is a registered company and wholly owned by Perbadanan Menteri Besar Kelantan (PMBK) (Kelantan Gold Trade Sdn Bhd, 2006). Interestingly, the state government of Kelantan is the only state in Malaysia that have their precious metal product of gold dinar, gold wafer and silver dirham during that time. The establishment of Kelantan Gold Dinar is to widen and develop the use of Islamic currency among Kelantanese everyday life.

Following, in October 2008, Public Fine Gold International Limited also take a step forward as a producer for their first issuance on the gold bar. Engagingly, Malaysia Book of Record has awarded Public Gold as the first locally manufactured certified gold bullion bar on 8th April 2009 (Public Gold, 2021). The gold weights include 20g, 50g and 100g. Besides, this gold services provider keeps innovating and improving their gold product year by year. Public Gold also vigorously active in holding seminars and discussion on gold with governments and non-government organization which purposely to boost the Malaysian understanding and interest to save gold. Table 1 depicts the earliest gold products in Malaysia:

Table 1: The earliest gold products in Malaysia.

Bank/Financial Institutions	Product	Product Launched
Royal Mint of Malaysia	<i>Kijang Emas</i> (gold bullion)	17 th July 2001
Royal Mint of Malaysia	Gold Dinar	27 th July 2003
Kelantan Gold Dinar (DEK)	Gold Dinar	21 st May 2006
Public Fine Gold International Limited	Public Gold Bar	18 th October 2008

Source: Author's compilation

Therefore, the objectives of the present study are three-fold. First, presented the financial institutions or gold services provider that offered *Shariah*-based gold product in Malaysia. Second, it discusses the prospects of *Shariah* gold investment in Malaysia. Third, the challenges and issues on the *Shariah* gold investment which also provided. Hence, the diversity of novel, innovative and the advancement of financial technology of gold products, as well as comply with *Shariah* principle can support and boost the gold investors in expanding their investment portfolio in real wealth with gold.

2. SHARIAH GOLD INVESTMENT IN MALAYSIA

Gold investment platform comprised of three types in Malaysia. First, physical gold investment. This type of gold investment platform is similar to buying and selling an item. For this situation, a gold investor will give an amount of money which in return, the gold services provider will give the respective physical gold with the specification in terms of weight, fineness and type of gold that the gold investor wants based on contracting parties upon agreement. The physical gold encompasses of gold bars (e.g. bullion bar and gold wafer), gold coins (e.g. gold dinar and *kijang emas*) as well as jewellery (e.g. gold bracelet, a gold bangle and gold necklaces). Wherefore, the gold investors can buy and possess the physical gold from the commercial bank (e.g. Bank Muamalat, Al-Rajhi Bank), goldsmith shop (e.g. Habib Jewel) and gold services provider (e.g. Public Gold and Kelantan Gold Trade Sdn. Bhd.) (Nadhirah Nordin, Mohd Ikhwan Aziz, Rahimah Embong, Normadiah Daud, & Sumayyah Abdul Aziz, 2018). By keeping the physical gold, the gold investor has the opportunity to possess their physical gold on their own custody. Typically, they can keep in the safety box.

Second, through the gold account. The gold account in banking institutions known as Gold Investment Account (GIA) or on the other name known as Gold Savings Account (GSA). This approach is corresponding to the concept of opening an account in the bank (Hafizi Ab Majid, Syed Jaafar AlHabshi, Janor, Ahmad, & Kamarudin, 2016). Since the development of the banking system and financial technology (FinTech) has led to a new and innovative product of gold account. The emerging of gold account in Malaysia has begun from the establishment of KFH Gold Account-*i* in the year 2010 (KFH Malaysia, 2010). More interestingly, the KFH Gold Account-*i* product is the first *Shariah*-based gold account in Malaysia. Along with, a Saudi Arabian bank, Al-Rajhi Bank also offered their gold account product to the Malaysian customer. Despite Kuwait Finance House and Al-Rajhi Bank as foreign Islamic banking, it expresses the ability of Islamic banking to compete with conventional banking by introducing their innovative and competitive gold product to penetrate the market in Malaysia. The initiation of a gold account is basically to support the gold investor to diversify their investment portfolio, long-term store value and hassle-free investment in terms of physical gold storing at the bank and convenience in time. Succeeding of these two foreign Islamic banking in the gold account product, the local bank in Malaysia, Bank Muamalat Malaysia Berhad also take a step forward in providing their *Shariah* gold account product of Muamalat Gold-*i* (MG-*i*) on 12th April 2016. Besides, Affin Islamic Bank Berhad as well do offer *Shariah* compliance gold account product. Namely Affin Emas-*i*. To note, by ensuring a *Shariah* gold account product, an investor may look on their product name includes a small italic letter at the end of their product name (e.g. Muamalat Gold-*i*). The symbol *i* is generally representing to an Islamic banking product that gives the meaning of Islamic.

On the other hand, the well-known gold services provider, Public Gold is a locally manufactured of precious metal, gold and silver in Malaysia. This gold services provider was established on 23rd May 2008. Public Gold is also among the earliest offered gold product and gold investment platform for Malaysians. The superior gold account platform that they offered is Gold Accumulation Program (GAP). On 15th July 2014, Gold Accumulation Program (GAP) was launched in improving awareness in keeping gold with amass physical gold on an allocated pool basis (Public Gold, 2020) Ever since their GAP product launching until the year of 2017. It has been successfully received official *Shariah* endorsement from Amanie Advisors Sdn. Bhd. on 29th September 2017. Nevertheless, GAP encourages the opportunity of the peoples to invest and possess the

precious metal with an affordable amount of money. In general, an investor can initiate the GAP as low as RM100 or 1g based on the current price. Later, an investor can redeem the physical gold from all over 17 Public Gold branches in Malaysia as based on the weight of the gold from the GAP transaction record.

The third of gold investment platform in Malaysia is through blockchain. Blockchain is the latest system for gold investment or savings medium. This sophisticated blockchain technology is peer-to-peer public ledger from the computers network, which allow multiple verified transaction records (Muneeza & Mustapha, 2019). Generally speaking, blockchain technology involves the transaction for records, verification system as well as transaction storage. For all of those, it is unlimited only for a cryptocurrency (Muneeza & Mustapha, 2019). Although, it is useful for valuable transactions as such assets, currency and goods. The notorious blockchain for gold investment in Malaysia is HelloGold. HelloGold offered an online platform for gold savings which endorsed as *Shariah*-based product via mobile application. Assuredly, the *Shariah* endorsement has been reviewed by the Amanie Group Sdn. Bhd. Therefore, unlike conventional gold investment, *Shariah* gold investment principally must include the availability of physical gold when it comes to *ribawi* item such as gold. Table 2 is the recent *Shariah*-based gold product in Malaysia.

Table 2: Shariah-based gold products in Malaysia.

Bank/Gold Services Provider	Physical Gold		Gold Account-i				Blockchain	
	Kelantan Gold Trade	YAPIEM Gold	Affin Islamic Bank Berhad	Al-Rajhi Bank Berhad	Bank Muamalat Malaysia Berhad	Kuwait Finance House	Public Gold	HelloGold
Products	Gold dinar and gold wafer	Gold coin, gold wafer, gold bar	Affin Emas-i	Gold-i	Muamalat Gold-i	KFH Gold Account-i & KFJ Junior Gold Account-i	Gold Accumulated Program (GAP)	HelloGold
Shariah contracts used	N/A	N/A	N/A	Musawamah & Wakalah	Wakalah, Bai' As-Sarf, Wadiah, Wa'd & Hibah	Bai' As-Sarf & Qardh	N/A	N/A
Fineness	917, 999.9	999.9	999.9	999.9	999.9	995.0	999.9	999.9
Denomination physical gold	1g, 1 dinar (4.25g)	0.5g, 1g, 2g, 5g, 10g, 50g, 100g, 500g, 1000g	0.01g, 0.25g, 0.5g, 1g, 5g, 10g, 20g, 50g, 100g, 500g, 1kg	10g, 20g, 50g, 100g, 500g, 1000g	5g, 10g, 20g, 50g, 100g	1g, 5g, 10g, 20g, 50g, 100g	0.5g, 1g, 10g, 20g, 50g, 100g, 250g, 1000g, ½ dinar, 1 dinar, 5 dinar, 10 dinar	Gold reserved based on customer gold savings (e.g. 1g, 2g, 3g, 4g, 5g)
Initial investment	1g	0.5g	0.01g	10g	1g or RM10	Individual 10g Non-individual 50g	1g or RM100	RM1
Minimum balance	N/A	N/A	N/A	N/A	N/A	2g of gold	1g	No limit
Ownership	Local	Local	Local	Foreign	Local	Foreign	Local	Local

Source: Author's compilation and Product Disclosure Sheet

3. PROSPECTS OF SHARIAH GOLD INVESTMENT IN MALAYSIA

3.1 Capital gain and cashback

Generally, most of the gold services provider in Malaysia price quoted daily, which pegged to the world market price. The world market price can be referring to the official websites of kitco.com and goldprice.org. From Malaysia context, the gold investors can refer to the bank's official websites and goldsmith shops for the price references. For instance, the Muamalat Gold-*i* daily gold price were stated in Bank Muamalat Malaysia Berhad official websites. Usually, an investor will buy when the price of gold is low and sell at a profit when the gold price escalates. The capital gains of the gold investment are based on the differences between buying and selling price. In details, it is known as "spread". The spread can give cost (loss) or capital gain. Take for example from Public Gold price as the date of 5th October 2020, to calculate spread for 1 Dinar:

In Ringgit Malaysia (RM):

$$PG \text{ Sell}^1 - PG \text{ Buy}^2 = \text{Spread RM}$$

$$RM1177 - RM1071 = RM106$$

In percentage:

$$\frac{(PG \text{ Sell} - PG \text{ Buy})}{PG \text{ Sell}} \times 100$$

$$\frac{(RM1177 - RM1071)}{RM1177} \times 100$$

$$=9\%$$

Table 3: Public Gold Price as the date of 5th October 2020.

Dinar	PG Sell (RM)	PG Buy (RM)	Spread (RM)	Spread (%)
1 Dinar	1,177	1,071	106	9
5 Dinar	5,887	5,416	471	8
10 Dinar	11,774	10,891	883	7.5

Source: Public Gold Websites

From the calculations, if an investor buys 1 dinar at this date and sells back to Public Gold on the same day, he or she will incur loss RM106 equal to 9 per cent spread. So then, the paper suggests to the gold investor keep the gold dinar and find opportunity in gaining capital at a profit when the PG buy (customer selling back gold price) is higher than from the date they buy, PG sells (customer buying gold price). As stated in table 3, it shows a declining trend of spread per cent with 9% for 1 dinar, 8% for 5 dinars and 7.5% for 10 dinars. It depicts that the heavier (in gram) gold they buy, the less spread cost they will incur. The spread calculations format, as revealed, applies to all the banks and gold services provider as long as they provide the selling

¹ PG Sell is referring to investor or customer buying gold price.

² PG Buy is referring to investor or customer selling back gold price.

and buying gold price. Besides, it determines the profit or loss of an investor gold value. For that reasoned, gold account is an interest-free account that helps for a capital gain which offers quick liquidity to investor (Hafizi Ab Majid et al., 2016). The investor can cash their gold investment based on the bank or gold services provider terms and conditions.

On the other hand, the banks and gold services provider also offered cashback reward to encourage their customer to invest in gold. For example, from Bank Muamalat Malaysia Berhad websites, it shows that the bank had run a campaign namely Muamalat Gold-*i* Account (MG-*i*) Cashback Campaign on 17th June 2019 until 16th September 2019 (Bank Muamalat Malaysia Berhad, 2019). Bank Muamalat gold account holder will receive a cashback of RM5 with a minimum purchase RM200 of gold in Muamalat Gold-*i*. The reward will be credited into customers' savings account, current account or BeeStar-*i* Savings account. Also, Bank Muamalat held a campaign "GEGAR 10" Gold Campaign from 1st August 2020 until 31st October 2020 (Bank Muamalat Malaysia Berhad, 2020). This campaign benefited the customers with RM100 cashback with minimum purchases 100g in MG-*i* account within the campaign period. Hence, the potential and existing gold investor should grab this kind of campaign as an opportunity of capital gain and cashback reward that banks and gold services provider offered. The action taken by the bank and gold services provider from the attracting campaign as well as capital gain helps the gold investor boost their positive perception and good behaviour in gold investing.

3.2 Attain individual financial goal

In personal financial management, it has outlined three types of financial goals period. These consist of short-term financial goals, mid-term financial goals and long-term financial goals. Mainly, different individuals will have a different purpose for savings. Financial planning is the utmost vital to be prepared because our life is unpredictable. Commonly, short-term goals should be attained within a year. In comparison, mid-term goals need a person to achieve about five years of their financial goals. In long-term goals, the estimation target of goals allocates more than five years to accomplish. For that purpose, this paper suggests a few goals can be reached from investing gold. However, for gold investment, the mid-term and long-term period is the best way in attaining an individual financial goal. Gold can be as financial aid and financial freedom for an investor. Following are the financial goals that can be achieved from gold investment:

- Education fees and expenses
- Buy Assets (e.g. house, car, land)
- Capital for business
- Retirement savings
- Pilgrimage to Mecca
- Emergency fund
- Debt settlements

Hence, managing systematic financial goals gives financial freedom. They can pay off debts with peace of mind. Savings from their gold investment may reduce their suffering in financial burden from unwanted circumstances such as job loss and accidents. Besides, the statistics from the Malaysia Department of Insolvency reported

an amount of 12,051 cases of bankruptcy in 2019. Consequently, people tend to lend money from the financial institutions for the instant fund. As the data shown in table 4, a personal loan gives the highest cause of bankruptcy with a total number of cases 27,199 and 32.07 per cent between 2015 until 2019. Following, hire-purchase vehicle and housing loan with 21.53 per cent and 12.57 per cent respectively. Based on these statistics, it depicts the weaknesses in personal financial management. They desire to have a comfortable and luxury living with the higher taste of lifestyle. Besides, the cost of living also affects the saving and spending habit of a person. The data in the Malaysia Department of Insolvency portrays Selangor, Wilayah Persekutuan and Johor Bahru are the three states in Malaysia with highest of bankruptcy. Furthermore, the three highest bankruptcy by age group is 35-44 years, 45-54 years and 25-34 years with 35.23 per cent, 25.29 per cent and 25.18 per cent respectively.

To attain individual financial freedom and good personal financial management, saving and spending habit should be managed systematically. Therefore, an investor should start their investment and savings earlier as they can with diversify authorized and trusted investment platform. At the same time, financial literacy in investing also need to be considered and increased. With good knowledge on investing, systematically planning and some amount of money may give peace of mind to perform gold investment. In return, it will gain profit in the future, perhaps.

Table 4: Number of bankruptcy cases of bankruptcy from 2015 to December 2019.

Bankruptcy category	Years					Total	Per cent (%)
	2015	2016	2017	2018	2019		
Personal loan	5,228	6,133	5,496	4,636	5,706	27,199	32.07
Hire-purchase vehicle	4,725	4,500	4,102	3,392	1,543	18,262	21.53
Housing loan	2,504	2,359	2,675	1,982	1,138	10,658	12.57
Business loan	1,670	1,989	1,679	1,424	1,846	8,608	10.15
Credit card debt	1,770	2,247	1,773	1,811	880	8,481	10.00
Social loan	1,196	1,033	1,002	540	15	3,786	4.46
Other indebtedness	493	414	383	1,770	425	3,485	4.11
Corporate Guarantor	619	628	806	626	221	2,900	3.42
Income tax debt	249	281	303	275	261	1,369	1.61
Scholarship/study loan	3	4	8	26	16	57	0.07
Total	18,457	19,588	18,227	16,482	12,051	84,805	100.00

Source: Malaysia Department of Insolvency

3.2 Enhancing gold zakat collection

Zakat is the third pillars of Islam. Principally, there are six (6) conditions for zakat. First, a Muslim. Second, independent person. Third, possess its assets or wealth. Fourth, reach the minimum rate for an amount of zakat (nisab). For instance, in zakat on gold, the nisab is 85g and above. Fifth, reach one-year *Hijra* (Islamic calendar) or known as haul. Sixth, assets or wealth is growing or potentially grow. In a simple explanation, it will gives the profit return and income to the owner. Hence, Muslims are compulsory to pay zakat because it considered as worship to Allah SWT. Furthermore, it helps to purify the properties, particularly in closing the gap between poor people and rich people. In this situation, 2.5 per cent from the property or wealth must be taken out for zakat. Take for example, a Muslim has 20 gold dinar which

equivalent to 85g of gold (1 dinar = 4.25g), after fulfill all the conditions of zakat, he needs to give 2.5 per cent from 20 gold dinar which is 1/2 dinar or 2.125g to the zakat collector. Correspondingly, the more *Shariah*-based gold investment platform offered, the possibility of zakat on gold collection will increase. Therefore, figure 1 portrays the total number of gold and silver zakat payer in Sabah from five respective years; 2015, 2016, 2017, 2018, 2019. From the data given in figure 1, roughly speaking, it shows increasing trends for the total number of the precious metal zakat payer in Sabah (Bahagian Zakat dan Fitrah-MUIS, 2020). The awareness of keeping and buying the precious metal of gold and silver in *Shariah*-compliant platform among the people in Sabah are good and commendable.

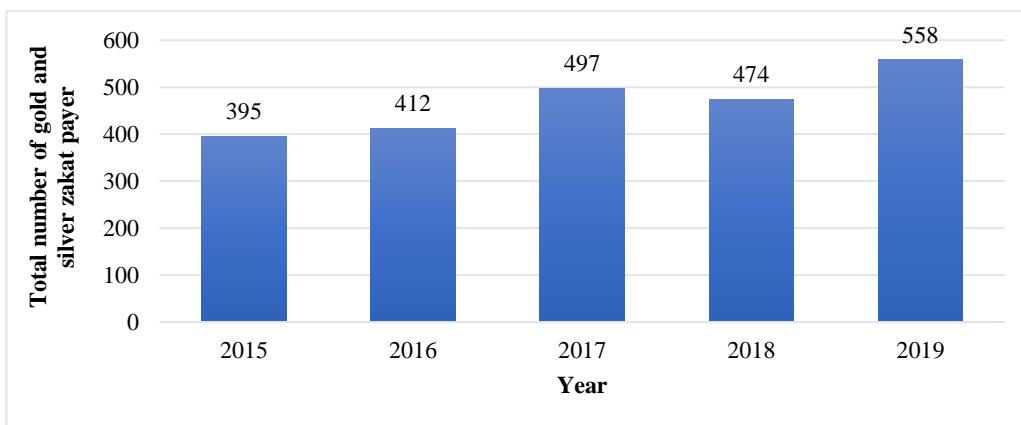


Figure 1: Total number of gold and silver zakat payer in Sabah from the year 2015 to 2019.

4. CHALLENGES OF SHARIAH GOLD INVESTMENT IN MALAYSIA

4.1 Issues on Shariah gold investment principle

Nowadays, money is not only limited to precious metal and commodities. However, the fiat money viz paper money with legal tender also considers as money (A. Shukor & Borhan, 2018). From the Islamic perspective, the value of money should possess intrinsic value. Notably, intrinsic value means the value of money was inside. It does not rely on any other value to attain its objective. As gold is one of *ribawi* item, the breaching of the transaction (*aqad*) in gold investment can be avoided by following the *Shariah* law. Specifically, according to the *Muzakarah Jawatankuasa Fatwa Majlis Kebangsaan Bagi Hal Ehwal Ugama Islam Malaysia Kali Ke-96 (2011)*, gold investment transaction must comply with two requirements. First, concession or deliverability (*taqabudh*) of gold for exchange value. The two items (e.g., between gold and paper money) must occur before two parties separated from the contract. Second, the gold transaction must be made promptly (*lani*), cannot be a postponement.

4.1.1 Issues on shariah gold investment principle

Contracting parties, the utterance of offer and acceptance (*sighah; ijab and qabul*) and subject matter are the *aqad* necessity in selling and purchase transaction. It is to avoid the *Shariah* principle transaction breaking. For *Shariah* compliance financial institutions' gold product, they will provide physical gold during the transaction as the existence of subject matter. For instance, Kuwait Finance House modus operandi in the gold account (Sharifah Faigah et al., 2013). The physical gold must own by the

banks or gold services provider for the fulfilment of the agreement. However, in the case of Bank Muamalat Malaysia Berhad, one of the *Shariah* principle that they apply in their gold investment operation is *wakalah*. To date, *wakalah* is a middleman or an agent between seller and buyer. From this situation, Bank Muamalat is an agent of Perth Mint, Australia in selling the physical gold to customer. Customer can bring the physical gold at home, or they can keep in the bank's safety box. Therefore, as a gold investor, the presence of physical gold during the gold investment transaction must be ensured. Moreover, they should notice that the receipt or invoice of gold purchasing, as well as the details in certificate like serial number, weight, fineness of the gold, must be synchronized and precise.

4.1.2 Concession of physical gold

Based on gold investment parameter, it declared that the subject matter (gold) must be delivered at the gold buyer at least three days after the agreement. If not, it is considered void. The physical gold investment does not require many procedures. As mentioned, it is similar to buying and selling an item. An investor will pay with an amount of money, and he or she will get the physical gold on the spot. However, if they buy a massive weight of gold, for example, 1000 grams, they have the option to bring back home or keep on a bank's safety box facility. Some banks will charge the safety box facility services and vice versa. For gold account like Gold Accumulation Program (GAP), the eminent gold product of Public Gold. The idea was to allocate an amount of money on a pool basis until it reached the gold investor target of gold weight. In the end, an investor can withdraw their physical gold investment from any 17 Public Gold branches or sell back to Public Gold. One of the uniqueness of GAP by Public Gold compared to other gold services provider in Malaysia is they provide Gold in Transit (GIT) facility. This facility uses courier services to deliver physical gold, which is insured for the safety reason. Similarly, Bank Muamalat, Kuwait Finance House and other *Shariah*-compliance gold services provider that offer gold account also has the same procedure with Public Gold where all the gold transaction will be recorded.

4.2 Gold investment scam and bogus gold

On 4th of August 2020, Malaysia has witnessed the biggest gold investment scandal company named Geneva Malaysia Sendirian Berhad (GMSB) was reportedly charged RM450 million for money laundering and illegal deposits taking from the public (Khairah N. Karim, 2020). Specifically, it was fined under section 25(1) Banking and Financial Institutions Act 1989 (BAFIA) and section 4(1) Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (AMLATFPUAA) (Bank Negara Malaysia, 2020). In this situation, seemingly, about 35,000 Malaysian has fallen victim invested in this biggest gold scam company in the country. Unfortunately, Geneva Malaysia Sdn Bhd (GMSB) was established in 2002 as a *Shariah* compliance company which also had a Malay Muslim director (Hafiz Yatim, 2020). From this case, it has scratched the named of *Shariah*-compliance and Islam itself. *Shariah*-based product was the main reasoned why Muslims were investing in the halal platform. Consequently, the prospective gold investor and the gold investor will have a bad perception on *Shariah* gold investment.

In other cases which involve of gold scam, it was reportedly more than 100 individual or so-called 'investors' became victims when the total estimated amount

they losses is about RM15 million (S\$5 million) (The Straits Times, 2018). The modus operandi of this company by supposed “Datuk Seri” offered a 1.5 per cent to 1.8 per cent dividend every month for one year. The victims were influenced and overwhelm on the gold investment dividend and interest that has promised to give a monthly basis dividend. According to Hafizi Ab Majid et al. (2016), it asserted that there is no cash inflow in the forms of dividend or interest will be paid to the investors when it comes to gold investment. Following this case, we cannot simply convince on a person title as well as a belief on the gold schemes that provide massive return and dividend. The only return on investment that gold can gives is the capital gain which secures our real wealth.

Besides, the prospective gold investor or gold investor is exposed to receiving bogus gold from the gold investment they made. Even though the gold services provider adheres to the needs of the *Shariah* principle, the probability of getting fake gold is giving inconvenience and hesitation feeling. Though, to overcome these issues, SIRIM Bhd had launched the useful tools, namely MyRM Gold and gold stamping scheme certificate (MS1247:2005) services on 19th December 2017. This tool is to check for gold authenticity reference as well as promoting the equal trade in the local gold business. Interestingly, this standard parallel with the world gold quality standard (Ruwaida Md Zain, 2017). Besides, other tools that can help gold investor for measuring the purity of gold are known as X-Ray Fluorescence (XRF), Precious Metal Verifier (PMV) and densimeter. Therefore, we need to ensure that we are on the right path in performing the gold investment.

5. CONCLUSION

This paper has discussed on *Shariah* gold investment platform in Malaysia, prospects and challenges. From the gold investment platform, *Shariah* gold investment can be one of the platforms to diversify an individual investment portfolio, particularly for Muslims. Generally, Malaysia provides three (3) types of medium investing in gold. This gold investment platform consists of physical gold investment, the gold account which using other similar names of a gold investment account or gold savings account also the blockchain. Rendering to all three types of gold investment platform, among the *Shariah*-based gold services provider that offered physical gold investment such as Kelantan Gold Trade, YAPIEM Gold, Habib Jewels Sdn Bhd and to name a few. Following for gold account, the first-ever *Shariah*-compliance financial institutions in Malaysia that offered gold investment platform is Kuwait Finance House with product viz. KFH Gold-*i*, as well as Al-Rajhi Gold-*i* from Al-Rajhi Bank Berhad, MG-*i* from Bank Muamalat Malaysia Berhad, Affin Emas-*i* from Affin Islamic Bank Berhad and Gold Accumulation Program (GAP) by Public Gold. For blockchain, HelloGold offered *Shariah* compliance product for the gold investor. Thus, the variety of gold products that have been offered, people have an opportunity to choose and compare any *Shariah* compliance gold services provider that gives a good return on investment.

Besides, there are three (3) prospects in *Shariah* gold investment that has been discussed. First, the capital gain and cashback reward. In a simple elucidation, the capital gain can be made by purchase the gold when the gold price is low and sell at a profit when the gold price is high. For cashback reward, it is one of the marketing strategies and discretion of the gold services provider to attract more people investing gold. Second, attain an individual financial goal. This paper suggested to invest and

keep the gold in a long-run period. The reason is a gold investor must have a clear financial goal from what he or she wants to attain. Through gold investment, it also helps to change the lifestyle and the way of managing their personal financing objectively. The third prospective for *Shariah*-gold investment is enhancing the gold zakat collection. Certainly, when it comes to zakat, as a Muslim, the wealth and property that we have must be from the halal sources. It same goes for gold zakat. For this purpose, the best way for investing in gold investment is under *Shariah* compliance gold services provider that has been endorsed by the *Shariah* advisor.

The final focal has discussed the challenges for *Shariah* gold investment. In *Shariah* gold investment, the most important part is the existence of physical gold, concession period of physical gold, contracting parties, the utterance of offer and acceptance as well as the details of gold (e.g., weight and fineness). Besides, other challenges in gold investing are gold scam and receiving bogus gold. As people concern on *Shariah*-based gold investment product due to its uniqueness that it offered, the scammers disguised as an individual or company that providing *Shariah* compliance gold product and services. They will offer massive return and dividend from their modus operandi to deceive the victim. Many people are fallen victims who lost their wealth. Therefore, do not put all eggs in one basket, learn to earn. Invest in licensed and *Shariah*-based gold services provider. It will boost the motivation to invest gold with a peace of mind, perhaps.

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