Gold Account Investment Products in Malaysia: A Comparative Analysis of Shariah Contracts and Compliance Issues

Muhammad Anis Mohd Arshad [1], Ruzian Markom[2*] & Asma Hakimah Ab Halim[3]

Centre for International Law and Siyar, Faculty of Law, Universiti Kebangsaan Malaysia

DOI: https://doi.org/10.47772/IJRISS.2026.100900893

Received: 07 October 2026; Accepted: 12 October 2026; Published: 26 October 2026

ABSTRACT

This study examines the Shariah and legal issues arising from gold account investment products offered by selected financial institutions in Malaysia. Although such accounts facilitate access to gold investment, their contractual structures raise questions concerning ownership, possession (qabd), settlement, fees, and the interaction of supporting contracts. Using qualitative documentary analysis, the study examines publicly available product disclosures and contractual terms alongside relevant Bank Negara Malaysia materials, Shariah resolutions, and fiqh literature. The analysis focuses on seven concepts identified in the documents reviewed: musawamah, bayʿ al-sarf, wakalah, wadiah, waʿd, ujrah, and qard. A comparative framework is used to assess the disclosed arrangements against relevant Shariah requirements, while distinguishing potential compliance risks from differences in contractual design or scholarly interpretation. To protect commercial confidentiality, financial institutions and products are identified by neutral labels rather than by name. The findings indicate that the presence of a Shariah contract label alone is insufficient to establish compliance: the underlying gold, transfer of ownership and possession, settlement arrangements, fees, and interaction between contracts must also be assessed. The study recommends clearer disclosure, stronger evidence of gold allocation and ownership, and more systematic Shariah review.

Keywords: Gold investment accounts; Islamic finance; Shariah compliance; qabd; bayʿ al-sarf; documentary analysis.

INTRODUCTION

Gold account investment products enable customers to obtain exposure to gold through banking platforms without necessarily taking immediate physical delivery. These products may offer transactional convenience and access to gold investment, but their legal and Shariah character depends on the contractual and operational arrangements rather than on the account label alone. In particular, the analysis must consider whether the underlying gold exists, whether the institution has the right to sell it, when ownership passes to the customer, and how possession is established.

The relevant questions are especially important because gold exchanged for Malaysian ringgit engages the rules governing ribawi items. Product structures may refer to musawamah, bayʿ al-sarf, wakalah, wadiah, waʿd, ujrah, or qard. These concepts perform different legal functions and should not be treated as interchangeable. Nor does the use of a recognised contract name, by itself, demonstrate that every operational step complies with the applicable Shariah requirements.

For confidentiality reasons, institutions and products are referred to using neutral labels. The analysis therefore focuses on the disclosed contractual features rather than on attributing findings to named institutions.

Problem Statement

Gold account investment products offered by financial institutions provide customers with a convenient means of investing in gold without necessarily taking immediate physical delivery. However, the Shariah validity of these products depends not merely on the contractual terms used in product documentation, but also on the

legal and transactional arrangements governing the underlying gold. Issues concerning ownership, possession (qabd), settlement, custody, fees, and the interaction between contracts require careful examination, particularly because gold transactions involving Malaysian ringgit are subject to specific Shariah requirements governing the exchange of ribawi items.

A key concern is that the identification of Shariah contracts in product documents does not, by itself, establish whether their application satisfies the relevant Shariah requirements. Contracts such as musawamah, bayʿ al-sarf, wakalah, wadiah, waʿd, ujrah, and qard serve different legal and transactional functions. Their application may vary across financial institutions, raising questions about how contractual rights and obligations are structured, how ownership and possession are established, and whether the combination of supporting contracts creates potential Shariah concerns. Nevertheless, differences in contractual design should not automatically be interpreted as evidence of non-compliance. A sound assessment requires the relevant contractual arrangements to be examined against the applicable Shariah principles and the evidence available.

The central problem addressed by this study is therefore the need for a structured comparative assessment of the contractual arrangements disclosed in selected gold account investment products in Malaysia. Such an assessment is necessary to identify the Shariah requirements relevant to each contract, examine potential compliance concerns, and distinguish documented contractual differences from issues that require further evidence or verification. By analysing product disclosure sheets, contractual terms, relevant Bank Negara Malaysia materials, Shariah resolutions, and fiqh literature, this study evaluates the disclosed arrangements using a common set of analytical criteria. In doing so, it seeks to clarify the legal and Shariah issues arising from these products and identify safeguards that could strengthen contractual transparency, documentation, and Shariah review. The study is limited to documentary analysis and does not purport to establish operational non-compliance where the available evidence is insufficient.

Shariah parameters and the analytical framework for gold account products

The Shariah assessment of gold investment products requires an examination of both the contractual arrangements and the rules governing the exchange of ribawi items. In Malaysia, the Parameter Pelaburan Emas provides an important reference for assessing gold investment activities. The document, approved at the 96th meeting of the Muzakarah Jawatankuasa Fatwa Majlis Kebangsaan bagi Hal Ehwal Ugama Islam Malaysia on 13–15 October 2011, outlines relevant requirements concerning the parties to a sale, the existence and ownership of the subject matter, price determination, contractual formation, possession, and the completion of gold transactions. It also addresses supporting contractual arrangements, including wadiah, qard, rahn, and waʿd (JAKIM,2011). Waʿd refers to a unilateral undertaking that may be used in Islamic financial transactions, subject to the applicable Shariah requirements. In Malaysia, Bank Negara Malaysia's Waʿd Policy Document establishes the relevant Shariah and operational requirements governing its application (Bank Negara Malaysia, 2017b).

These parameters provide a normative basis for examining gold account investment products, particularly where customers purchase gold through an account-based platform without taking immediate physical delivery. The analysis must establish whether the contractual and transactional arrangements adequately demonstrate the existence of the underlying gold, the transfer of ownership, and the achievement of actual or constructive possession (qabd hukmi). An electronic account balance or a contractual declaration alone should not be treated as conclusive evidence of these matters without considering the relevant contractual terms and supporting documentation.

The contractual structures disclosed by financial institutions also require separate examination. Bayʿ al-sarf concerns the exchange of gold and currency and raises questions regarding the timing of payment, possession, and settlement. Musawamah describes a sale in which the seller is not required to disclose the original acquisition cost and profit margin. Meanwhile, wakalah, wadiah, ujrah, waʿd, and qard may govern agency, safekeeping, remuneration, undertakings, and lending arrangements, respectively. Their inclusion in a product structure does not, by itself, establish compliance or non-compliance. The legal and Shariah implications depend on the functions performed by each contract and its relationship with the principal gold transaction.

Accordingly, this study applies a comparative analytical framework that examines the contractual structures disclosed in selected gold account investment products against the relevant Shariah parameters. The framework considers seven dimensions: (i) contractual structure and the functions of the identified Shariah contracts; (ii) the existence and ownership of the underlying gold; (iii) possession and the basis for establishing qabd hukmi; (iv) payment, transaction sequencing, and settlement; (v) physical redemption and delivery rights; (vi) safekeeping arrangements and the allocation of contractual liability; and (vii) fees, charges, and disclosure.

This framework distinguishes between requirements that can be assessed from the available documents, matters requiring further contractual or operational evidence, and potential Shariah compliance concerns. It does not presume that incomplete disclosure establishes an actual violation. Instead, it provides a consistent basis for identifying differences between products, evaluating the adequacy of disclosed contractual arrangements, and recommending improvements in transparency, documentation, and Shariah governance.

RESEARCH METHODOLOGY

This study adopts a qualitative documentary research design to examine the Shariah and legal considerations arising from selected gold account investment products in Malaysia. The primary documentary materials comprise publicly available product disclosure sheets and related contractual information. These materials are examined alongside relevant Bank Negara Malaysia policy documents, Shariah resolutions, and scholarly literature on fiqh muamalat.

A purposive sampling approach was employed to select six gold account investment products offered by financial institutions in Malaysia for which relevant documentary materials were available. The sample comprises five products examined in the initial analysis and an additional product offered by Bank F. To preserve institutional confidentiality, the institutions are designated as Bank A, Bank B, Bank C, Bank D, Bank E, and Bank F throughout the study. These labels are used solely for anonymisation and do not imply that the institutions or products are fictitious. The inclusion of Bank F extends the comparative scope of the study while retaining the same analytical criteria across the selected products.

The documents were examined using thematic and comparative analysis. The analytical framework comprises seven dimensions: (i) contractual structure and the functions of the identified Shariah contracts; (ii) the existence and ownership of the underlying gold; (iii) possession and the basis for establishing qabd hukmi; (iv) payment, transaction sequencing, and settlement; (v) physical redemption and delivery rights; (vi) safekeeping arrangements and the allocation of contractual liability; and (vii) fees, charges, and disclosure. The seven analytical dimensions were developed by the authors through a synthesis of the Malaysian Shariah parameters governing gold investment, relevant Shariah resolutions, applicable regulatory materials, fiqh literature, and the contractual disclosures contained in the product documents examined. They are not presented as a verbatim classification prescribed by a single regulatory or Shariah instrument. Rather, the dimensions operationalise the relevant normative requirements and contractual considerations into a structured framework for comparative documentary analysis. While the Shariah parameters and resolutions provide the normative basis for assessing the transactions, product disclosure sheets and related contractual documents provide the documentary evidence used to examine the arrangements disclosed by each institution.

The findings are presented through a comparative analysis of the selected gold account products based on the established Shariah analytical framework.

RESEARCH OBJECTIVES

This study aims to:

- Examine how the identified Shariah contracts are structured and applied in selected gold account investment products offered by financial institutions.

- Analyse the legal and Shariah issues arising from these contractual arrangements, particularly in relation to ownership, possession (qabd), settlement, fees, and the interaction between contracts.
- Recommend appropriate safeguards to address potential Shariah compliance risks and improve contractual transparency and disclosure in gold account investment products.

LITERATURE REVIEW

The Development of Gold Investment Research

Previous studies on gold investment have examined the subject from several complementary perspectives, including Shariah requirements, banking practices, consumer implications, technological developments, and alternative financing structures. Collectively, these studies establish the importance of examining gold investment not merely as a wealth-preservation instrument but also as a transaction whose contractual structure and operational implementation must be assessed against applicable Shariah requirements.

The earlier Malaysian study by Wan Abdul Rahman et al. (2013), examined gold investment operations and their implications for consumers. Its relevance lies in connecting the structure of gold investment products with the protection of customers participating in such transactions. This consumer-oriented perspective remains important because customers may rely on product descriptions, account statements, and institutional representations when determining the nature and extent of their rights over the underlying gold.

Mas'ad et al. (2019), subsequently examined the contracts and operational arrangements associated with gold investment products in Malaysia. Their discussion included the application of bayʿ al-sarf and qard hasan, as well as the significance of possession and delivery. The study illustrates that the Shariah assessment of a gold account depends on more than the designation of the contract: the actual arrangement must also be examined to determine whether the relevant transaction requirements are fulfilled.

Juisin (2021), broadened the discussion by considering physical gold, gold accounts, and blockchain-based investment platforms. The study also addressed issues concerning the existence and delivery of gold, transaction documentation, gold authenticity, and investment scams. Its broader product coverage demonstrates the importance of considering both transactional compliance and the risks encountered by investors. Nevertheless, its discussion of different investment platforms does not, by itself, establish whether every contractual arrangement or disclosure practice satisfies the requirements applicable to a particular product.

More recent research has considered gold investment in the context of digitalisation and alternative contractual structures. Alshaer (2026) addresses issues associated with digital gold investment, including possession and the relevance of contemporary Shariah standards. Marlia (2025) focuses on Indonesian Islamic banks and the use of murabahah in gold financing, particularly deferred payment, ownership, and physical delivery. Marlia also proposes a musharakah-based alternative involving joint ownership and gradual acquisition of the bank's share. These two studies contribute different perspectives to the literature. Alshaer (2026) highlights challenges associated with digital gold transactions, while Marlia (2025) examines a specific financing structure and the disagreement surrounding deferred payment in gold transactions. The Indonesian context of Marlia's study is particularly relevant for comparative discussion, but its analysis of the DSN–MUI framework should not be treated as a direct statement of Malaysian law.

Shariah Requirements and Contractual Structures in Gold Accounts

A recurring theme across the literature is the need to assess gold transactions in light of the rules governing ribawi items. The relevant analysis includes the nature of the exchange, the timing of payment and delivery, the transfer of ownership, and the achievement of possession (qabd). Where gold is exchanged for currency, the requirements governing the exchange must be distinguished from the rule of equality applicable to an exchange of gold for gold. The analysis should therefore avoid applying the same-weight requirement indiscriminately to transactions involving gold and money.

The literature also indicates that the contractual arrangements used in gold products are not uniform. Studies have discussed bayʿ al-sarf, musawamah, murabahah, wakalah, wadiah, and qard, among other arrangements. Each contract performs a different legal function. A sale contract concerns the transfer of ownership of the gold; wakalah may govern the agency relationship; wadiah may concern safekeeping; and qard may involve a transfer of ownership subject to an obligation to return an equivalent amount. Accordingly, these contracts should not be treated as interchangeable merely because they appear within the same product.

The distinction is particularly significant where a financial institution records a customer's gold balance while retaining physical custody. An account entry or certificate may constitute evidence of a customer's entitlement, but the legal and Shariah consequences depend on the contractual terms and operational arrangements. Relevant questions include whether the gold exists, whether it is allocated or otherwise identifiable, when ownership transfers, whether the customer can obtain the gold without an unjustified obstacle, and who bears the risk of loss. The analysis of qabd hukmi must therefore consider the rights and control actually conferred on the customer rather than assume that electronic recording automatically establishes possession.

The studies also reveal the importance of distinguishing the legal form of a contract from its implementation. For example, the use of wakalah does not alone establish that the agent has completed the sale of existing gold in the required manner. Likewise, describing a custody arrangement as wadiah or qard does not resolve the issue without examining the parties' rights, the institution's ability to use the gold, the return obligation, and the allocation of risk. These distinctions provide a basis for comparing product disclosures with the legal consequences of each contractual arrangement.

Consumer Protection, Disclosure, and Operational Risk

The consumer implications of gold investment extend beyond the permissibility of the underlying sale. Juisin (2021) discusses the risks of investment scams and counterfeit gold, while the 2013 Malaysian study explicitly links gold investment operations with consumer implications. These concerns reinforce the importance of accurate product descriptions, reliable transaction records, transparent pricing, and clear information about the customer's rights to redeem or withdraw gold.

The spread between the buying and selling prices, applicable fees, minimum redemption amounts, delivery arrangements, and conditions for selling back gold can affect the economic outcome of an investment. Such terms should be disclosed in a way that enables customers to understand the cost of entering and exiting the product. Where the institution acts as an agent or custodian, the disclosure should also distinguish the institution's respective roles and responsibilities.

These matters are especially relevant to digital products, in which the customer may not physically handle the gold. Digital accessibility and electronic records can facilitate transactions, but they do not remove the need to establish the existence of the underlying asset, the customer's enforceable entitlement, the mechanism for delivery or redemption, and the allocation of responsibility in the event of loss or operational failure. A Shariah assessment based only on product labels or promotional statements would therefore be insufficient to establish the full legal position.

Research Gap and Contribution

The five studies reviewed provide a foundation for understanding gold investment in Malaysia and related financing practices. The 2013 and 2019 studies examine Malaysian gold investment and its Shariah implications; Juisin (2021) considers a wider range of gold investment platforms and associated challenges; Alshaer (2026) addresses digital-economy concerns; and Marlia (2025) analyses the specific structure of gold murabahah in Indonesia and proposes an alternative financing model.

The present study builds on this literature by undertaking a comparative analysis of the contractual arrangements disclosed in selected gold account products in Malaysia. Rather than focusing exclusively on the permissibility of a particular contract or the prospects of gold investment, it examines how multiple

contracts are described and combined in product documentation and evaluates the implications for ownership, possession, settlement, redemption, fees, custody, agency, and contractual responsibility.

The study's contribution is therefore a document-based comparative framework for identifying the relationship between contractual descriptions and disclosed operational arrangements. It distinguishes between differences in contractual design, issues requiring further clarification, and potential indicators of Shariah non-compliance. Because the study relies on publicly available documents rather than an independent audit of institutional operations, it does not purport to issue a regulatory or Shariah determination on any institution. Its findings instead identify matters that merit clearer disclosure, more consistent contractual documentation, and further institutional or regulatory scrutiny.

Legal and shariah regulatory framework for gold account products in Malaysia

The Shariah analysis of gold account products begins with the rules governing transactions involving gold as a ribawi item. The relevant principles concern the nature of the exchange, the timing of counter-value delivery, the transfer of ownership, and possession (qabd). Where gold is exchanged for currency, the requirement for prompt exchange must be distinguished from the requirement of equivalence applicable to an exchange of gold for gold.

For a gold account product, the analysis should establish when the sale is concluded, whether the seller owns or has the legal capacity to deliver the gold, when ownership passes to the customer, and whether actual or legally recognised constructive possession is achieved. Constructive possession (qabd hukmi) should not be inferred solely from the existence of an electronic balance or account statement. Its assessment requires examination of whether the customer obtains an effective and enforceable entitlement to the gold and whether the relevant conditions for possession are satisfied.

These principles also require the contractual roles of the parties to be clearly identified. A sale, an agency appointment, a custody arrangement, and a loan may create different rights and obligations. The legal consequences of each arrangement should therefore be assessed separately, including the institution's authority over the gold, the customer's redemption rights, and the allocation of liability for loss.

Gold investment parameters and shariah resolutions in Malaysia

Malaysia's Shariah regulatory framework includes the work of Bank Negara Malaysia's Shariah Advisory Council (SAC) and relevant Shariah resolutions and parameters. Bank Negara Malaysia reported that, at its 135th SAC meeting on 28 May 2013, the Council discussed Shariah parameters for gold and silver investment in Islamic financial products. The matters identified included the contracting parties, subject matter, offer and acceptance, and delivery (Bank Negara Malaysia, 2017a).

These elements provide a useful analytical structure for evaluating gold account products. The contracting parties and subject matter help establish the parties' capacity and the existence of the gold; offer and acceptance concern the formation of the transaction; and delivery concerns the transfer of possession and the associated legal consequences. The Malaysian gold investment parameters should be read alongside the applicable Shariah resolutions and relevant institutional product documents rather than treated as a substitute for examining the actual contractual arrangement.

The study should also distinguish between a resolution or parameter that has been formally adopted by an authorised Malaysian body and a scholarly opinion discussed in academic literature. The latter may help explain the doctrinal debate, but it should not be presented as a binding Malaysian rule unless its legal status and authority have been established.

Islamic Financial Services Act 2013

The Islamic Financial Services Act 2013 (IFSA 2013) provides the statutory framework for the regulation and supervision of Islamic financial institutions in Malaysia and expressly includes the promotion of Shariah

compliance among its purposes. Its relevance to gold account products lies in the obligations applicable to regulated Islamic financial institutions and the statutory architecture for Shariah governance and compliance.

Section 28 of IFSA 2013 is particularly relevant because it addresses the duty of an Islamic financial institution to ensure that its aims, operations, business, affairs and activities comply with Shariah requirements. This obligation makes Shariah compliance an institutional responsibility rather than merely a matter of how a product is marketed or labelled. In analysing a gold account, the inquiry should therefore consider whether the disclosed contract and the described operational process are consistent with the relevant Shariah requirements.

The application of IFSA 2013 must nevertheless be made with precision. The Act applies within its statutory scope and should not be assumed to govern every gold investment platform or non-bank provider in the same way as a licensed Islamic financial institution. The regulatory status of each product provider must be identified before drawing conclusions about the applicable statutory duties.

Bank Negara Malaysia Act 2009 and the Shariah Advisory Council

The Central Bank of Malaysia Act 2009 provides the statutory basis for the Shariah Advisory Council of Bank Negara Malaysia. The SAC's role is significant in determining Shariah questions arising in Islamic financial business within the scope of the legislation. The legal framework should be read together with the relevant provisions of the Central Bank of Malaysia Act 2009 and IFSA 2013, including the statutory effect of SAC rulings where applicable.

For the purposes of this study, the SAC framework helps distinguish between a general fiqh position, a scholarly interpretation, a published SAC resolution, and an institution's own Shariah endorsement or product description. These categories should not be conflated. A product provider's statement that a product is Shariah-compliant is relevant evidence of its representation, but the statement alone does not establish that every operational feature has been independently verified in this research.

Contractual Terms, Disclosure, and Consumer Protection

The contractual documentation of a gold account is central to determining the nature and extent of the customer's rights. The relevant materials may include product disclosure sheets, terms and conditions, account-opening documents, fee schedules, redemption procedures, and statements describing custody or agency arrangements. These documents should be examined for clarity on ownership, possession, delivery, pricing, fees, redemption, risk allocation, and the institution's responsibilities.

The analysis should distinguish between the existence of a disclosed contractual term and the sufficiency of that term to establish legal or Shariah compliance. For example, a redemption clause may indicate that a customer can request physical gold, but further examination may be necessary to establish the applicable conditions, timing, minimum quantities, charges, and any limitations on that right.

Consumer protection is therefore relevant to the evaluation of contractual transparency and the customer's ability to understand the product. The applicable legal and regulatory instruments should be identified according to the provider's status, the type of product, and the nature of the transaction. Any claim that a particular consumer-protection statute applies to all gold account products should be avoided unless supported by the relevant statutory provisions.

Analytical Framework for the Present Study

Based on the Shariah principles, legal sources, and contractual considerations discussed above, this study develops a comparative analytical framework comprising seven dimensions. The framework was formulated by synthesising the Malaysian Shariah parameters governing gold investment, relevant Shariah resolutions, applicable regulatory materials, fiqh literature, and the product disclosures examined. It is an analytical

framework developed by the authors rather than a classification prescribed verbatim by any single Shariah or regulatory instrument.

The seven dimensions are as follows:

- **Contractual structure and functions:** The Shariah contracts expressly identified in the product documentation and the legal and transactional functions attributed to each contract.
- **Existence and ownership of gold:** Whether the available documents provide information on the existence, allocation or identification of the underlying gold and the point at which ownership passes to the customer.
- **Possession (qabd) and constructive possession (qabd hukmi):** Whether the disclosed arrangements provide a basis for establishing actual or legally recognised constructive possession, including the customer's effective entitlement to and control over the gold.
- **Payment, transaction sequencing and settlement:** Whether the disclosed order and timing of payment, completion of the sale, transfer of ownership and settlement are consistent with the relevant Shariah requirements governing gold transactions.
- **Physical redemption and delivery rights:** The extent to which customers may obtain physical gold, including applicable minimum quantities, redemption conditions, processing requirements, delivery arrangements and related limitations.
- **Safekeeping arrangements and contractual liability:** The contractual roles and responsibilities of the institution and any appointed agent or service provider, including the scope of custody or agency arrangements and the allocation of responsibility for loss or failure to perform contractual obligations.
- **Fees, charges and disclosure:** Whether the applicable fees and charges, their contractual basis, calculation methods and relevant conditions are adequately disclosed to customers.

These dimensions provide a structured basis for comparing the contractual arrangements and operational features disclosed in the selected gold account products. The Shariah parameters and resolutions provide the normative basis for the assessment, while product disclosure sheets and related contractual documents provide the documentary evidence examined. The framework also distinguishes between differences in product design, matters requiring further contractual or operational evidence, and potential Shariah compliance concerns.

The framework does not constitute a substitute for an institutional Shariah audit, a legal determination by a competent court, or a formal ruling by an authorised Shariah body. Where the available documents do not provide sufficient evidence, the relevant finding is treated as an issue requiring clarification or further verification rather than as a definitive breach of law or Shariah.

FINDINGS AND DISCUSSION

Shariah Contracts and their Application

Table 1. Comparative Analysis of Gold Account Products

Analytical dimension	Bank A	Bank B	Bank C
Shariah contracts disclosed	Bay' Musawamah, waʿad, ujrah, wakalah	Wakalah, wadiah, bayʿ al-sarf	Wakalah, bayʿ al-sarf, waʿad
Gold purity	999.9	999.9	99.99%

Ownership record	Gold account records; allocation details require further evidence	Account-based holding; detailed allocation requires further evidence	Ownership recorded in gold passbook
Physical redemption	Available, subject to conditions	Available, subject to process and charges	Available, subject to stock/ provider arrangements
Safekeeping arrangement	Wakalah for third-party vault storage	Wakalah and wadiah arrangements disclosed	Bank or third-party safekeeping
Fees and charges	Agency fee and certain transaction charges disclosed	Full schedule referred to separate information	Physical conversion fee applies; storage charge stated as zero
Main issue for further analysis	Evidence of allocation, ownership transfer and custody	Evidence of ownership and settlement; full fee information	Timing of purchase processing and evidence of qabd

Analytical dimension	**Bank D**	**Bank E**	**Bank F**
Shariah contracts disclosed	Bayʿ al-sarf, waʿad, wadiah	Bayʿ al-sarf, qard	Bay' al Musawwamah and wakalah
Gold purity	99.99%	995.0	999.9
Ownership record	Account statement /certificate	Gold account under qard arrangement	Account-based holding; further contractual details on allocation and ownership records require examination
Physical redemption	Unavailable until further notice in the reviewed PDS	Physical withdrawal described, subject to availability and conditions	Physical redemption subject to the product's terms; minimum redemption of 200 grams
Safekeeping arrangement	Bank acts as custodian under wadiah	Gold deposited under qard	Gold held under the account arrangement; detailed custody and allocation provisions require examination

Fees and charges	Several charges disclosed; current applicability requires clarification	No account fees stated in the reviewed PDS	Monthly management fee of RM0.10 per gram, together with applicable redemption and delivery charges
Main issue for further analysis	Practical implications of unavailable physical conversion	Legal implications of the qard structure and the customer's entitlement to equivalent gold	The PDS identifies the contractual structure, gold purity and redemption threshold; further contractual evidence is needed to assess allocation, possession and transaction sequencing

Source: Compiled by the authors from the respective product disclosure sheets and other available product documents. The Bank A–F labels are used to preserve institutional confidentiality.

Note: The gold purity values are reproduced from the respective documents. The reviewed PDSs were issued or effective on different dates, so the table should not be interpreted as a simultaneous assessment of current product terms.

Contractual structures and product differentiation

The comparative analysis reveals variations in the Shariah contracts disclosed by the six banks. Banks A, B, C and D adopt different combinations of sale-related and supporting contracts, while Bank E identifies bayʿ al-sarf and qard, and Bank F discloses Baiʿ Musawamah and Wakalah. These differences demonstrate that gold account investment products cannot be assessed solely by reference to the names or combinations of contracts disclosed. Rather, their assessment requires consideration of the contractual functions, the relationships between the contracts, and their implementation within the overall transaction.

The contracts serve distinct functions. Bayʿ al-sarf governs relevant exchanges involving gold and currency; wakalah concerns agency; wadiah relates to safekeeping; waʿd denotes an undertaking; ujrah refers to remuneration for services; and qard denotes a loan. Musawamah refers to a sale in which the price is negotiated without requiring disclosure of the seller's original cost. The legal and Shariah implications of these contracts depend on their respective roles and how they operate within the complete transaction.

Accordingly, the disclosure of multiple Shariah contracts does not, in itself, establish either compliance or non-compliance. The analysis must examine how the contractual arrangements relate to the underlying gold, the transfer of ownership and possession, the timing and settlement of transactions, and the respective rights and obligations of the parties. This approach enables the study to distinguish between differences in product structure and substantive issues that require further examination under the applicable Shariah parameters.

Gold ownership and possession (Qabd)

The reviewed product documents provide varying levels of detail concerning gold ownership and possession. Bank C expressly states that customer ownership is recorded in a gold passbook. Banks A and B describe account-based gold holdings, while Bank E describes an arrangement involving the deposit of purchased gold under qard. Bank F's product disclosure identifies a gold account arrangement based on Baiʿ Musawamah and Wakalah, although further contractual documentation may be required to establish the precise arrangements for gold allocation and ownership.

An account entry or passbook record, considered in isolation, does not necessarily establish whether the underlying gold is specifically allocated, when ownership is transferred, or whether the requirements of

constructive possession (qabd hukmi) are fulfilled. These matters may require examination of the complete contractual terms, transaction records, gold allocation procedures and relevant operational arrangements.

The comparison therefore highlights differences in the extent of ownership and possession information disclosed in the reviewed documents. Where the available information is insufficient, further evidence is needed to assess the relevant arrangements against the applicable Shariah requirements. The absence of detailed disclosure should not, on its own, be treated as proof of Shariah non-compliance.

Transaction sequencing and settlement

The timing of payment, settlement and the transfer of gold ownership is an important consideration in assessing gold account investment products. The reviewed documents describe account-based mechanisms for facilitating gold purchases and sales. However, the information disclosed does not establish that all six products follow identical transaction and settlement processes.

Bank A describes the debiting of the customer's current or savings account and the corresponding crediting of the gold account, while Bank C states that the customer's account is debited immediately upon purchase. However, its Product Disclosure Sheet also indicates that purchase processing takes place on the next business day after receipt of a complete application. The documents for Banks B, D, E and F also describe account-based payment mechanisms and aspects of transaction processing. Bank D specifies the operating hours for gold ransactions and the timing of crediting sale proceeds, while Banks B, E and F describe the use of linked settlement accounts to facilitate gold transactions. Nevertheless, the reviewed disclosures do not consistently specify the precise point at which payment, completion of the sale and transfer of gold ownership occur.

The distinction between payment processing and the legal completion of a sale is significant. A debit or credit entry may provide evidence of a payment or accounting operation, but it does not, by itself, establish when ownership of the underlying gold passes to the customer or when possession is effectively established. These matters must be assessed in light of the applicable Shariah requirements governing bayʿ al-sarf, relevant Shariah resolutions and the contractual arrangements governing each transaction.

Safekeeping, Contractual Liability and Physical Redemption

The six products differ in their disclosed arrangements for safekeeping and physical redemption. Banks A, B, C and D disclose different combinations of custody, agency and safekeeping arrangements, while Bank E expressly describes the deposit of purchased gold under a qard arrangement. Bank F identifies wakalah as the agency arrangement under which the customer appoints the bank to manage and operate the gold account. These differences require the legal functions and consequences of each contractual arrangement to be examined separately.

Under a safekeeping arrangement such as wadiah, the analysis should consider the parties' respective responsibilities and the nature of the custody relationship. Where wakalah is involved, the scope of the agent's authority and responsibilities becomes relevant. Under qard, the analysis must consider the borrower's obligation to repay the loan in accordance with the applicable contractual terms. These contracts should not be treated as interchangeable merely because they may all involve gold held by a financial institution.

Physical redemption provides a further basis for comparison. Banks A and B describe mechanisms for converting account-based gold holdings into physical gold, subject to the applicable conditions. Bank C provides for physical conversion subject to stock availability or service-provider arrangements and the stated processing requirements. The reviewed disclosure for Bank D indicates that conversion into physical gold is unavailable until further notice. Bank E permits physical gold withdrawal in specified denominations, subject to availability and the applicable conditions. Bank F also provides for physical gold redemption, subject to a minimum redemption of 200 grams, with delivery to the customer's address arranged by the gold supplier.

These differences affect the practical means through which customers may exercise their rights in relation to gold held under the respective products. Nevertheless, the availability or unavailability of physical

redemption, considered in isolation, does not establish whether a product complies with Shariah requirements. The assessment must consider the nature of the customer's ownership interest, the contractual right to demand delivery, the arrangements for the underlying gold, and the conditions governing withdrawal or conversion.

The involvement of third-party service providers also raises questions concerning the allocation of contractual responsibility. Where a bank appoints an agent or engages a third party to provide safekeeping or delivery services, the relevant contractual terms should clarify the scope of the parties' respective obligations and the circumstances in which liability may arise from loss, damage or failure to perform the agreed services. The analysis should therefore distinguish between the contractual responsibilities expressly disclosed in the reviewed documents and matters that require further examination of the applicable terms and conditions. This distinction is necessary to assess the adequacy of the disclosed arrangements without assuming that all six products adopt the same approach to custody, liability or physical redemption.

Fees, disclosure and consumer protection

Fees and charges represent another area of variation among the six products. The reviewed documents disclose different approaches to agency remuneration, transaction charges, physical conversion, and administrative costs. While some charges are specified in the product disclosure sheets, others are referred to supplementary information or separate fee schedules.

Bank A discloses an agency fee structure linked to the average gold balance, together with certain transaction charges. Bank B refers customers to supplementary information for details of its fees and charges. Bank C specifies a physical conversion charge based on the difference between the applicable prices for gold held in the account and physical gold, while stating that no storage charge applies. Bank D lists several charges, including a physical conversion fee, although the practical applicability of that fee requires clarification because physical conversion is stated to be unavailable until further notice in the reviewed document. Bank E states that no fees apply in the PDS examined. Bank F, meanwhile, discloses a monthly management fee of RM0.10 per gram, together with applicable physical redemption and delivery charges.

These differences highlight the importance of distinguishing the existence of a fee from its contractual basis, calculation method, disclosure, and practical applicability. Where remuneration is associated with an agency or safekeeping arrangement, the analysis should identify the service for which the fee is charged and the contractual basis for that remuneration. Where charges relate to physical conversion or delivery, customers should be able to understand how the amount is calculated and when it becomes payable.

The absence of a fee from a product disclosure sheet does not necessarily establish that no charge exists under the complete contractual arrangements. Similarly, incomplete disclosure in the document examined should not automatically be interpreted as evidence of Shariah non-compliance. Rather, it identifies a potential transparency issue that may require verification against the applicable terms and conditions and supplementary fee information.

From a consumer protection perspective, clear disclosure should enable customers to understand the costs associated with purchasing, holding, selling, transferring, and redeeming gold. This is particularly important where price differences, agency remuneration, third-party service charges, or redemption conditions may affect the overall economic outcome of an investment. Transparent and sufficiently detailed fee disclosure would also facilitate meaningful comparisons between products while preserving recognition of their distinct contractual structures.

Cross-institutional findings and shariah compliance implications

The comparative analysis indicates that the six selected products employ different combinations of Shariah contracts and operational arrangements. These differences may reflect distinct product designs and contractual structures; they do not, by themselves, establish Shariah compliance or non-compliance. The central issue is whether the underlying transactions and contractual relationships satisfy the Shariah requirements applicable to each arrangement.

Accordingly, the assessment of each product should consider the contractual functions, the existence and ownership of the underlying gold, the transfer of ownership and possession, transaction sequencing and settlement, safekeeping arrangements, contractual liability, physical redemption rights, and the basis and disclosure of fees and charges. This integrated approach enables the analysis to distinguish differences in product design from substantive issues that require further examination under the applicable Shariah parameters.

CONCLUSION

This study has examined the Shariah and legal issues arising from six selected gold account investment products in Malaysia through a qualitative comparative analysis of documentary sources. It examined musawamah, bayʿ al-sarf, wakalah, wadiah, waʿd, ujrah and qard, focusing on their contractual functions and the requirements relating to the underlying gold, ownership, possession, settlement, safekeeping, fees and the interaction between contracts.

The findings demonstrate that variations in contractual structures do not, in themselves, establish Shariah non-compliance. Rather, the assessment depends on whether the relevant contractual arrangements and transaction processes satisfy the applicable Shariah requirements. Product labels and general statements of Shariah compliance are insufficient where the available documentation does not clearly establish gold allocation, the transfer of ownership and possession, transaction settlement, or the basis and disclosure of fees.

The study therefore highlights the importance of clearer product disclosure, adequate documentation of gold ownership and allocation, effective reconciliation of underlying gold holdings, and risk-based Shariah review. These measures would support more transparent product assessment and enable customers to make better-informed investment decisions. Given its reliance on documentary sources, the study does not independently verify operational practices or replace an audit of the underlying arrangements or a formal determination by a competent Shariah authority. Nevertheless, it provides a comparative analytical basis for evaluating gold account products and identifying matters requiring further contractual or operational scrutiny.

ACKNOWLEDGEMENT

The authors gratefully acknowledge the financial support provided by Universiti Kebangsaan Malaysia through the GUP2023-024 research grant.

REFERENCES

1. Alshaer, B. (2026). Purchasing gold in Islamic banking: Challenges and solutions for the digital economy. Manchester Journal of Transnational Islamic Law & Practice, 22(1), 78-85.
2. Bank Negara Malaysia. (2017a). Kompilasi keputusan Syariah dalam kewangan Islam (Edisi ke-3).
3. Bank Negara Malaysia. (2017b). *Waʿd policy document*. https://www.bnm.gov.my/en/-/wa-d
4. JAKIM (2011). Garis Panduan Yang Diperakukan oleh Muzakarah Jawatankuasa Majlis Fatwa Kebangsaan Bagi Hal Ehwal Ugama Islam Malaysia (MKI)
5. JAKIM (2011).Parameter Pelaburan Emas. https://www.islam.gov.my/ms/e-penerbitan/3100-parameter-pelaburan-emas. Tarikh akses : 14 Oktober 2026.
6. Juisin, H. A. (2021). Shariah gold investment in Malaysia: Prospects and challenges. Labuan Bulletin of International Business and Finance, 19(2), 95–108. https://doi.org/10.51200/lbibf.v19i2.3356
7. Marlia, S. (2025). The application of murabaha in gold financing (gold murabaha) in Indonesian Islamic banks: Issues and possible alternative model. Benefits: Journal of Economics and Tourism, 2(2), 168–180. https://doi.org/10.69836/benefits-jeti.v2i2.623
8. Mas'ad, A. M., Rozali, M. E. A., Wan Ismail, W. A. F., & Johari, F. (2019). Gold investment practices in Malaysia: A Shariah review. Journal of Fatwa Management and Research, 13(1), 215–231. https://doi.org/10.33102/jfatwa.vol13no1.184
9. Saiman, M. Z. (2023). Aplikasi qabd dalam isu-isu kontemporari melibatkan transaksi jual beli emas. Al-Qanatir: International Journal of Islamic Studies, 30(2).

10. Wan Abdul Rahman, W. F. I., Markom, R., Ismail, R., Shaik Ahmad Yusoff, S., & Mohd Zakuan, Z. Z. (2013). Shariah analysis on the operation of gold investment in Malaysia and its implications to the consumer. International Business Management, 7(6), 470–474. https://makhillpublications.co/files/published-files/mak-ibm/2013/6-470-474.pdf