

IIFM Seminar on Islamic Financial Markets

Gold in Islamic Finance and Documentation & Products Standardization



By

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Muamalat Gold Account-i

The product features at a glance

What is this product about?

Muamalat Gold-i is a Shariah compliant gold product which offers customers the opportunity to participate in the precious metal market. Your returns would be from the capital appreciation of your initial purchases.

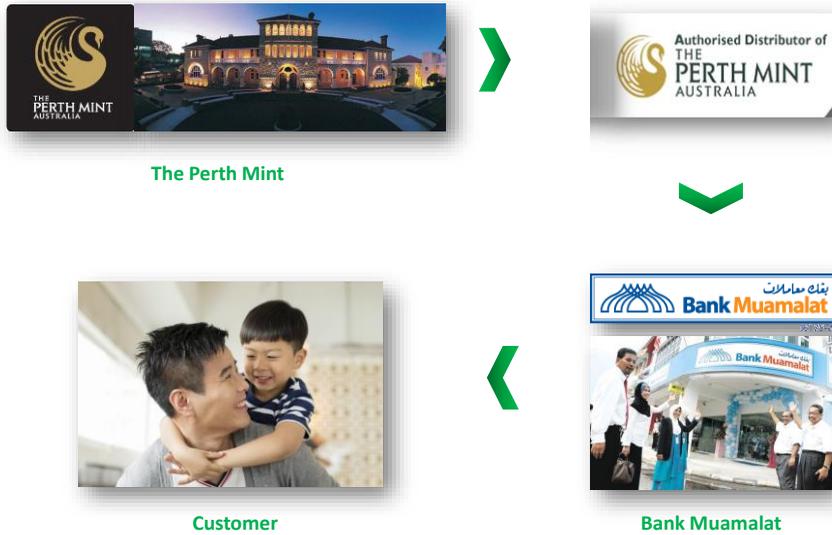
Muamalat Gold-i is a product not covered by the Perbadanan Insurans Deposit Malaysia (PIDM).



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The Relationship

How the parties are related.



The Journey

Jan 2016

Launch Physical Minted Gold Bar

July 2017

Launch Gold Account

Mar 2018

Launch Online Gold Account

How it works...

Physical Minted Gold Bars

- Allocated
- Minted and encased in a temper-evident casing
- Certified
- Customer take possession immediately upon purchase



Gold Account

- Allocated
- Kilo bar serialized into milligram
- Transaction recorded in passbook
- Customer do not take possession



•Free Storage & Takaful Coverage

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The products are all Shariah-compliant for three main reasons

- Physical gold, which is allocated is the underlying asset - the investor has the blatant ownership of the gold pieces that can be identified
- No leverage is involved, and prices and fees are fully transparent
- They can all be structured in compliance with the AAOIFI Standard Shari'ah on Gold - the highest authority on Shariah treatment of gold in Islamic finance

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Our Aspiration



Reality

- More than 3.9million population are in the category B40 with median household income of RM3,000
- Have access to very limited Investment instruments to diversify their portfolio (e.g. ASB)

Addressing Investment needs of the public as a member of Global Alliance for Banking on Values (GABV):

- Make **Gold Account affordable** to everyone at initial purchase amount of as low as RM10
- Encourage and **inculcate affordable regular savings habit** in ALL levels of the society
- Meeting government aspiration in making financial services available to the **B40 & Lower Mass market** category
- Education/Awareness: **Share investment advice** via road shows and benefits of MGI gold account

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WHY INVEST IN GOLD?

- Gold has a unique nature as the asset class and the World Gold Council research suggests that although a small allocation for gold (about 10%) can protect and increase the portfolio of investment.
- Regardless of their experience, investors are attracted to gold as a strong, tangible value and long-term savings value historically moving freely from other assets.
- Gold also protects purchasing power in the long term, while generally reducing risks and reducing appropriateness during market shock periods.

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There are four main benefits to invest in gold:

1. Gold is a credible diversification tool
2. Gold is seen as a safe place, often enjoying significant inflows during the systemic financial crisis.
3. Gold has outperformed all major currencies since the last century.
4. Gold can be used as a hedge against inflation

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Gold surpasses all major currencies, including currencies used in the Islamic market

1. Gold is a long-term keeper of wealth & it has outperformed all major currencies
2. Banknotes lose value over time but the value of gold persists
3. Each major currency has depreciated against gold since the early 1900s
4. Gold has also overcome the Islamic market currencies, including the Malaysian ringgit, the Indonesian rupiah, and the currency used in the GCC (pegged to US \$)
5. Since 2000, gold has risen by 313% in terms of US dollars, while it has increased by 386% and 675% respectively in terms of ringgit and rupiah respectively.

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*Thank
you*

