

Golden Horizons: Investigating Shariah-Compliant Gold Investment Awareness Among Youth

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Abstract

Gold has long been regarded as a reliable medium of exchange and a store of value, owing to its inherent traits and functions associated with money. In the context of Malaysia, gold investment emerges as a lucrative and secure asset category for investors. They have the option to either physically possess and safeguard gold or opt for a more modern approach by establishing a gold investment account. Over recent years, there has been a noticeable growth in awareness among the public and seasoned gold investors in Malaysia. However, this upward trend has not been as pronounced among the younger demographic. This research aims to investigate the extent of awareness regarding Shariah-compliant gold investment among the young Muslim population in Terengganu, Malaysia. Utilising a quantitative research methodology, data was collected through a survey administered by researchers via Google Form, disseminated across various social media platforms. The study successfully obtained data from a sample of 120 respondents. The findings of this study reveal that, overall, the young Muslim generation in Terengganu exhibits a moderate level of awareness regarding Shariah-compliant gold investment. The significance of this research lies in shedding light on the dynamics of gold investment awareness, particularly within the context

of Shariah compliance, among the youth in a specific region of Malaysia. The results provide valuable insights for financial institutions, policymakers, and educators seeking to tailor their strategies to enhance financial literacy and promote Shariah-compliant investment practices among the younger population. As Malaysia continues to evolve as an Islamic financial hub, understanding and addressing the investment preferences and awareness levels of its diverse demographic groups become crucial for fostering a robust and inclusive financial landscape. Since this study was conducted with small sample size and focusing in Terengganu only, it is strongly recommended to expand the research to other states in Malaysia.

Keywords: Awareness, Gold Investment, Muslims, Young Generation, Financial Literacy

1. Introduction

In the study conducted by Mas'ad, Rozali, Ismail and Johari (2019), it is stated that gold is a metallic element with a distinct yellow hue, which is held in high regard by human beings due to its exceptional value, both in terms of monetary worth and societal significance. This substance is derived from subterranean sources and can alone be extracted by mining operations. It possesses the characteristics of solidity, malleability, and exceptional electrical conductivity. According to Juisin and Amin (2020), gold has been widely regarded as a symbol of opulence and affluence throughout human history. This perception stems from the fact that gold has consistently demonstrated strong long-term investment performance, making it a highly favored asset. In the context of Malaysia, the authors additionally state that gold investment may be categorized into three distinct types: physical gold investment, gold investment account (also known as gold savings account), and blockchain technology. These options aim to enhance the financial returns for both prospective gold investors and existing gold investors (Juisin & Amin, 2020).

Agha, Saafi, and Qayoom (2015), assert that gold is classified as a *ribawi* item. According to Cheong (2017), the issuance of Shariah Standard No. 57 by the AAOIFI in collaboration with the World Gold Council on November 19, 2016, has established gold as a Shariah-compliant asset. This standard aligns with the principles of Islamic finance and enables gold to be utilized as a medium of exchange or asset base in various Islamic financial transactions. It is imperative for Muslims to adhere to the principles of the Islamic economic system, which strictly prohibits usury, while also considering investment opportunities in gold. Shariah-compliant gold investment refers to the practice of investing in gold in accordance with Islamic principles, where the investment products and procedures are scrutinized by Shari'ah advisors to ensure compliance with Islamic law. Muslims who engage in Shariah-compliant gold investments prioritize halal products and services based on divine obligations. This form of investment is considered a trusted platform for Muslims, as it avoids elements like *riba* (interest), *gharar* (uncertainty), and *maysir* (gambling), aligning with the commandments of Allah (Juisin et al., 2023).

In Malaysia, gold investment is often conducted through the physical investment technique, when investors physically possess and store gold at their chosen location. Simultaneously, Malaysia's gold investing practices can be observed via two distinct lenses: the conventional approach and the Shariah-compliant approach. Gold investment is typically made available to investors through many channels, including commercial banks, goldsmith shops, and non-financial institutions that offer gold investment services. In the realm of gold investment, a viable avenue is the adoption of a Shariah-compliant strategy, which can be facilitated by Islamic banks as well as non-financial entities. The investment process in Malaysia is subject to stringent monitoring by Bank Negara Malaysia (BNM) in accordance with the principles of *mu'amalah* and Shariah. Gold investment tends to be more prevalent among older individuals rather than younger ones. This is attributed to the younger generation's inclination towards spending their resources on immediate needs such as food, clothing, and technological devices, rather than prioritizing long-term savings (Nordin et al., 2018).

Throughout ancient history, gold has been utilized by human societies for the sake of trade and as a means of preserving wealth. The gold issue consistently permeates contemporary financial activities. Shobha (2017), posits that gold is widely regarded as a valuable “asset” among investors on a worldwide scale, sought after during times of market instability and sold when the economy expands. Moreover, it is widely acknowledged that there exists a favorable correlation between economic growth and the demand for gold.

Fernando (2017), asserts that the act of investing in gold is characterized by a higher degree of safety, resilience, and less risk compared to alternative investment strategies. Gold is widely recognized as a valuable metal and is classified as both a financial asset and a commodity, like platinum and silver. Gold possesses numerous appealing characteristics that make it an interesting investment option for individuals. In contrast to conventional investment options like bonds and shares, real gold lacks credit risk as it is not associated with any liabilities. Consequently, the concern of a counterparty’s capacity to fulfill its obligations is absent.

According to Ahmad Razimi, Romle, and Azizan (2017), one advantage of gold is its ability to function as a medium of exchange, exhibiting properties that closely resemble those of money. It is vital for individuals to possess knowledge on the prevailing market value of gold in order to capitalize on potential opportunities for purchasing the commodity at a comparatively lower price and subsequently selling it at a higher price in the future. The reason for this phenomenon is that the price of gold experiences fluctuations like any other investment instrument or commodities.

Furthermore, the benefits of engaging in Shariah-compliant gold investing include the opportunity for individuals to establish a gold investing Account, which serves as a viable means for them to enhance their financial resources through the utilization of gold as a valuable investment tool. In addition, it is worth noting that clients have the ability to conveniently add funds to their gold holdings at any given time, as well as the freedom to sell their gold without encountering any limitations or restrictions (Ahmad Razimi, Romle, & Azizan, 2017).

It is important to note that each transaction is meticulously recorded in both the book account and bank slip, so effectively mitigating any potential involvement of *gharar*. The gold investment account is an opportunity for individuals adhering to the Islamic faith to potentially enhance their financial resources through participation in the gold market. It is of significance for Muslims, as they are instructed by Allah to actively pursue *halal* options and refrain from engaging in any form of investment that includes banned elements Mas’ad, Rozali, Ismail and Johari (2019). According to Tan, Hoe and Hung (2011), it is evident that gold possesses numerous benefits, and there is no harm in engaging in Shariah-compliant gold investments.

Chronic financial crises are now frequently encountered by the younger generation as a result of a failure to maintain money and gold as assets and property for daily living. As individuals place greater emphasis on their financial well-being and overall quality of life, it is evident that the pursuit of a healthy financial state and an improved lifestyle is gaining prominence.

While some people would rationally choose to invest little or nothing in financial knowledge, the model predicts that increasing financial knowledge for everyone early in life may still be socially optimal. This is because even if the least educated never invest again and allow their knowledge endowment to depreciate, they will still earn higher returns on their savings, resulting in a significant welfare boost. According to Tan, Hoe and Hung (2011), individuals should ensure proper financial planning before making investments in gold. Undeniably, enhancing investment knowledge among investors to make informed decisions about gold investments is very important (Sugiatuti, Friseyla, & Pramesti, 2024).

If individuals possess a limited level of financial literacy, how can they become aware of the significance of gold investment as an alternative asset, given its inherent inconveniences? Furthermore, most of these individuals are born into a privileged and contemporary lifestyle. Their mindset is around deriving pleasure from the utilization of their financial resources. This study will mostly examine the younger generation because of their relatively youthful age and limited life commitments. Moreover, they frequently have a tendency for lavish expenditures. In the present era characterized by advanced technological innovations, individuals exhibit a preference for purchasing high-tech gadgets rather than allocating their resources towards investments in gold.

In recent years, there has been an increase in awareness among individuals and gold investors in Malaysia, although this trend has not been observed among the younger demographic. According to Sangita Ray et al., (2022), a total of 52 youth groups are ready to invest in any type of investment. Among the most preferred avenues are mutual funds and banks, followed by insurance and gold. This shows the current inclination of youth towards gold investment. Therefore, the purpose of this study is to investigate the awareness of Muslim youth regarding Shariah-compliant gold investment.

2. Literature Review

There are three points that will be discussed in the literature review which are gold investment, concept of Shariah-compliant gold investment and awareness of Shariah-compliant gold investment.

2.1 Gold Investment

Gold is an alternative investment that is considered a safe asset and can be kept in the long term, especially when the economy is unstable (Hairuddin & Firyal, 2022). According to Nawaz, Sudindra (2013), gold is widely considered to be a very effective investment to protect one's assets amid periods of stock market recession and inflation. In fact, historical evidence shows that the value of gold tends to increase during periods characterized by high levels of inflation. Nevertheless, the author points out that the price of gold fluctuates, showing that investing in gold carries the potential for profit and loss, like any other investment. Therefore, gold is always used as an investment tool by governments, investors and household institutions as insurance in the event of a financial crisis.

Monga, Dawra, and Bansal (2016) assert that individuals utilize gold for the purpose of crafting jewelry as well as for its function as a kind of cash. The object in question serves as

an emblem of affluence, aesthetic appeal, and historical lineage, evoking recollections and embodying cultural significance. In addition to its uses, gold plays a substantial role in numerous technological applications. According to Michaud and Pulvermacher (2006), the currency during the majority of the 19th century until World War I was supported by gold, as observed in the worldwide gold standards. This backing of currency by gold was considered a reliable indicator of value.

It is important to examine several considerations while making investments in gold. One of the primary aspects to consider pertains to the various methods of purchasing gold. It is vital for any investor to possess knowledge regarding the many modalities of gold acquisition. In India, jewelry holds a prominent position as the primary and customary means of acquiring gold, while alternative investment options include bank coins, bullion bars, and gold exchange trades (Nawaz & Sudindra, 2013). According to Kovinska (2014), it has been argued that increased risk is associated with the potential for greater rewards. One of the primary rationales behind individuals' continued preference for investing in gold as opposed to the stock market is from its perceived attributes of safety and potential for growth. Additionally, it has been observed that gold has emerged as one of the most successful asset classes. The subsequent aspect pertains to present earnings. In its various forms, gold does not generate any current income. The sole exemption pertains to the dividend alternative within the gold exchange-traded funds (ETFs). If gold is held in the physical form, there is just an outflow of revenue for the maintenance of lockers. Next, we will discuss capital appreciation, wherein gold emerges as an exceptionally robust investment option when compared to equities, which exhibit significant levels of volatility. Moreover, gold exhibits the highest level of liquidity when compared to all other investment options. According to Nawaz, Sudindra (2013), gold has the potential to be transformed into cash at any given time, regardless of the time of day.

2.2 *The Concept of Shariah-compliant Gold Investment*

According to the principles of Shariah law, gold investment is permissible, provided that specific conditions are fulfilled, as gold is classified as *ribawi* commodities. Gold investing is typically characterized by its adherence to Shariah principles. Nevertheless, the inclusion of *taqabudh* ought to be an obligatory component within the realm of gold investment. This element refers to the process of transferring responsibilities and obligations from one party to another in a contractual agreement, specifically in the context of a sale and purchase or a contract between a supplier and a recipient (Nordin, et al., 2018).

Shariah-compliance in finance refers to the adherence to Islamic law in financial practices, which entails the exclusion of three prohibited elements: interest, gambling, and uncertainty. By adhering to these principles, a component of Shariah compliance has been provided. The adherence to Shariah principles also encompasses the observance of the aspect of '*akad*' where the concept of mutual acceptance refers to the agreement reached between two or more parties involved in a contractual arrangement. According to Hussain et al. (2015), the inclusion of transparency in Shariah-compliant investment activities is crucial in order to ensure the absence of concealed costs or terms that may impact Shariah compliance.

According to Latch et al. (2018), gold is one of the six *ribawi* items besides silver, wheat, barley, dates, and salt. This is mentioned in the hadith of 'Ubadah bin al-Samit RA that the Prophet Muhammad said:

“(Converted) gold for gold, silver for silver, wheat for wheat, barley for barley, dates by dates, and salt by salt, same (amount) for the same, equal (quantity) for equal, hand (delivered) for hand. If these kinds differ, sell as you want and do not delay the delivery”.

(*Bulugh al-Maram*, Book 7, Hadith 833)

So, the meaning of *ribawi* is that transactions involving the six items contain the element of usury which is prohibited in Islam, whether *riba al-duyun* or *riba al-buyu'*. Therefore, transactions with the six items are different from other items (Latch et al., 2018). According to Mas'ad et al. (2019), *riba* is addition occurred in any transaction of *ribawi* items or occurred in debt business activity and totally prohibited and banned by Allah through verse in Quran, which means:

Meaning: “But Allah has permitted trade and has forbidden *riba*” (Al-Baqarah, p. 275).

Hence, to enhance the credibility of Shariah-compliance within a globalized context, it is imperative to incorporate key components such as the notions of justice, moral responsibility, accountability, and equality as integral aspects of the Shariah value system. In this context, it is imperative that all the factors are incorporated into the Shariah compliance framework, as it would enhance the integrity of Islamic law in the context of globalization. Conforming to the Islamic economic system, which strictly prohibits *riba* (Nordin et al., 2018), is imperative for Muslims. In recent times, there has been a notable increase in the level of activity pertaining to gold investments both globally and within the context of Malaysia. This surge in engagement has been observed across diverse categories of individuals. Gold investment businesses offer a range of investment programs, while clients employ diverse strategies to optimize their returns in the realm of gold investing. According to Hussain, et al. (2012), it is imperative for gold investment goods and strategies to adhere to Islamic principles and rules from a Shariah standpoint. This is essential to ensure that the financial activities of the Muslim community remain in accordance with the Shariah principles.

2.3 The Awareness of Shariah-compliant Gold Investment

Investment is the act of placing funds for a period to obtain the desired rate of return, with full awareness of the risks involved. To start investing an individual needs certain capital or funds whether it consists of currency, real estate, gold, stocks and so on. Therefore, investors have a wide selection of investment instruments such as gold investment, real estate, unit trusts and many more (Nordin et al., 2015). However, there is a common tendency among investors to allocate their investments towards conventional as opposed to Shariah-compliant. This is because there are a few Muslims in Malaysia who know the expression of investing in Shariah gold deposits and are certainly familiar with it, but they do not seem to understand it thoroughly (Abdullah et al., 2023).

Nevertheless, there exists a prevailing inclination among investors to allocate their

investments towards gold, in comparison to alternative investment avenues. The present-day younger generation faces numerous limitations and influences that hinder their ability to engage in gold investment (Nordin et al., 2015). Considering the prior research conducted by Md Said (2006), it is evident that gold-based currency possesses both merits and drawbacks in comparison to the prevailing use of paper currencies. Gold has been widely acknowledged and esteemed as the most valuable metal throughout history and continues to hold this distinction in contemporary times.

According to Abas et al. (2023) public awareness about saving and investing in gold is gaining ground in Malaysia. Its enduring status as a global currency is attributed to its remarkable stability in value and its superior capacity for long-term storage, distinguishing it from other metals such as copper, iron, and paper. Not only does it possess the capacity to replace paper currency as the global monetary system, but it also exhibits promising potential as a lucrative investment vehicle. In fact, the inherent stability and robustness of gold render it a highly favorable asset option for investors seeking to diversify their investment portfolios. This is because traditional investment portfolios, such as equities and bonds, have a considerably higher level of risk and offer lower returns in comparison to investments in gold.

Furthermore, Md Said (2006) highlighted that investments that are based on gold tend to be more favorable compared to investments that rely on the value of paper currency. This is mostly since gold has minimal depreciation and maintains a more constant value over an extended period, unlike stored banknotes. Hence, gold investing is a comparatively recent type of investment in the Malaysian context. He also mentioned that the level of information and awareness within the community about this issue is significantly lacking. Nevertheless, there has been a noticeable increase in the availability of knowledge and infrastructure pertaining to gold investing, aimed at facilitating and enticing individuals to engage in this form of investment. There exist numerous segments within society and among investors who have not previously considered gold as a viable component of their investment portfolios (Md Said, 2006).

3. Method

Regarding the research methodology employed in this study, it encompasses several aspects such as the selection of research instruments, determination of research participants based on the study's scope, data collection procedures, and subsequent data analysis. In order to effectively achieve the research aims, the researcher has opted to employ a quantitative technique, as suggested by Sajjad Kabir (2016). According to a prior investigation conducted by Sajjad Kabir (2016), quantitative data is characterized by its numerical nature and its capacity for mathematical calculation. Quantitative data measures employ various scales, namely nominal scales, ordinal scales, interval scales, and ratio scales. Researchers employ a systematic and standardized methodology, employing techniques such as surveys and interrogative approaches due to their cost-effectiveness, standardization facilitating convenient comparisons, and the ability to measure effect sizes in most cases. In this study, the researcher obtained participants by distributing a Google Form survey through the

WhatsApp and Telegram applications to individuals residing in Terengganu, including friends, acquaintances, and members of the general public.

3.1 Research Design

The present study employed a quantitative research approach, utilizing a convenient sampling technique because this technique is fast and easy. The primary aim of this research was to examine the extent of awareness among the Muslim youth in Terengganu, Malaysia about Shariah-compliant gold investment as a potential alternative asset. Bandhari (2020), asserts that quantitative research is a valuable approach for identifying patterns and averages, making predictions, testing causal linkages, and generalizing findings to broader groups. Hence, the focus of this study is the entire Muslim youth population, including individuals who are employed, enrolled in educational institutions, or have completed their studies.

3.2 Participants

The research encompassed individuals from the younger demographic, including employees, students, and graduates, aged between 18 and 28 years old. The data were obtained using a questionnaire tool. This study involved the collection of data from 120 respondents in Terengganu, Malaysia who distributed via Google Form by the researchers. Hence, the researchers were able to utilize the data obtained from 120 respondents in Terengganu to investigate the level of awareness among the younger generation of Muslims regarding Shariah-compliant gold investment. The acquisition of data holds paramount significance in ensuring the efficacy and triumph of a research investigation. Thus, the acquisition of extensive data necessitates the utilization of several methodologies. The data collection process utilized Google Forms as a method, wherein a comprehensive set of questions was sent via a link. This Google Form was employed to record all the data, which was afterwards utilized for research purposes. The utilization of the Google Form approach offers a higher level of convenience for all participants in terms of completing the survey, as it provides predetermined responses for each question.

3.3 Data Analysis

The data collected from participants via a Google Form was evaluated using the Statistical Package for the Social Sciences (SPSS) version 27 software. Descriptive analysis was conducted using frequency, percentage, and mean values. Questions about perception used a 5-point Likert scale, and the responses provided by the respondents were analyzed using the Statistical Package for the Social Sciences (SPSS) version 27 software. When the mean scores are divided into 3 levels, they indicate low (mean < 1.7), moderate (1.8–3.33), and high (3.34 – 5.00). The findings derived from the analytical data will be presented in the form of bar charts, pie charts, and tables, facilitating the generation of inferences and conclusions.

4. Results

The study successfully obtained data from a sample of 120 participants, with 39 (32.5%) being male and 81 (67.5%) being female, as indicated in Table 1. The figure denotes the individuals who participated in the survey, which was distributed to gauge the proportion of

the Muslim youth population in Terengganu, Malaysia, categorized by gender. Hence, it can be inferred that the quantity of female participants in this study surpassed that of male participants.

Most of the respondents, specifically 81 individuals or 67.5% of the total sample, fall between the age range of 18–20 years old. Subsequently, a total of 19 individuals, constituting 15.8% of the sample, belonging to the age group of 21–23 years old, provided responses to the survey. Furthermore, this survey has gathered data from approximately 15 respondents, constituting 12.5% of the total sample, who fall within the age range of 24–26 years. A total of 5 respondents (4.2%) were successfully collected from the age category of 27–28 years old. Based on the data derived from Table 1, it can be observed that the respondents belonging to the age bracket of 18–20 years exhibit the highest participation rate in responding to the questionnaire, however the lowest number of respondents is observed within the 27–28 age range.

The distribution of educational attainment among respondents from the Muslim youth population in the Terengganu community. There are six distinct categories of educational qualifications that can be classified based on their level of attainment. These categories include SPM (Sijil Pelajaran Malaysia), STPM (Sijil Tinggi Persekolahan Malaysia), foundation, diploma, degree, and master. At the SPM level, the study successfully obtained responses from a total of 11 participants, accounting for 9.16% of the sample. Similarly, at the STPM level, just 1 participant, representing 0.83%, was obtained, which is consistent with the response rates observed for the foundation and master levels. Then, the diploma level attained a response rate of 44 (36.6%) from the participants. Subsequently, a survey was conducted in which 62 individuals, accounting for 51.6% of the sample, who possessed a degree level of education responded to the questionnaire. In summary, it can be observed that both the foundation and master's levels at the STPM academic level yield an equivalent number of collected data. The level of degree receives a greater response rate compared to other levels. Based on the data presented in the figure, it can be inferred that most respondents possess a higher level of education (Table 1).

In relation to the realm of employment, there exist six distinct categories encompassing self-employed individuals, the private sector, the government sector, students, housewives, and the unemployed. The self-employed sector was able to gather a total of three respondents, accounting for 2.5% of the sample. Subsequently, the private sector successfully obtained a total of six responders, constituting a proportion of 5%. Furthermore, the government sector successfully obtained a total of 7 respondents, accounting for 5.83% of the sample population. A total of 102 respondents, amounting to 85% of the student population, were successfully collected. Out of the total responses, a proportion of 2 individuals (1.67%) reported being unemployed. Finally, there are no respondents identified as housewives in this research study. Hence, it may be inferred that the participants primarily consisted of students who responded to the questionnaire, whereas other sectors, particularly the Muslim youth in Terengganu, Malaysia, had a relatively lower representation in terms of responders (Table 1).

The final category pertains to the distribution of monthly revenue, which is divided into five

groups based on the following ranges: no income, RM500 and below per month, RM600–RM1200, RM1500–RM2000, and RM2500 and above. Out of the total responses, around 40 individuals (33.3%) were successfully collected, who reported having no income. A total of 56 respondents, accounting for 46.7% of the sample, reported earning RM500 or less per month. Approximately 7 respondents, accounting for 5.8% of the total, reported earning between RM600 and RM1200. Approximately 8 respondents, accounting for 6.7% of the total, reported an income range of RM1500–RM2000. In this survey, it was found that 9 respondents, accounting for 7.5% of the total, reported earning a monthly income of RM2500 and above. Based on the comprehensive dataset pertaining to monthly income, it can be inferred that respondents with a monthly income of RM500 and below exhibits the highest frequency of responses in this questionnaire. The demographic group with the lowest number of respondents is individuals earning between RM600 and RM1200 per month.

Table 1. Demographic Profile

	Demographic Profile	Frequency	Percentage %
Gender	Male	39	32.5
	Female	81	67.5
	Total	120	100
Age	18–20	81	67.5
	21–23	19	15.8
	24–26	15	12.5
	27–28	5	4.2
	Total	120	100
Level of Education	SPM	11	9.16
	STPM	1	0.83
	Foundation	1	0.83
	Diploma	44	36.6
	Degree	62	51.6
	Master	1	0.83
	Total	120	100
Work	Student	102	85
	Housewife	0	0
	Government Sector	7	5.83
	Private Sector	6	5
	Unemployed	2	1.67
	Self-employed	3	2.5
	Total	120	100
	Monthly Income	RM500 and below	56
RM600–RM1200		7	5.8
RM1500–RM2000		8	6.7
RM2500 and above		9	7.5
None		40	33.33
Total		120	100

The researcher obtained a sample size of 120 participants from the younger population residing in Terengganu. Consequently, the data obtained from the 120 participants was subjected to analysis. In this section, participants are required to indicate their responses using the Likert scale, which encompasses a range of options including “1 for strongly disagree, 2 for disagree, 3 for agree, 4 for neither agree nor disagree, and 5 for strongly agree”.

Investing in gold poses significant financial challenges, particularly for young individuals. This is due to the fact that certain individuals, particularly students, lack a stable source of income. Hence, the initial inquiries in this section pertained to the level of respondents' awareness regarding the reading of materials pertaining to contemporary matters concerning Shariah-compliant gold investment. Based on the data presented in Table 2, the results suggest that the participants exhibit a limited degree of familiarity with regards to staying informed about contemporary matters pertaining to shariah-compliant gold investment. The findings indicate that a mere 45% of the respondents expressed agreement with the notion of engaging with contemporary topics through reading, while 23.3% held a contrary perspective.

The findings of Abdullah and Abdul Majid's (2019) prior research corroborate the notion that the younger demographic faces difficulties in engaging with gold investment and acquiring physical gold, primarily stemming from a dearth of expertise in this domain. In order to mitigate potential losses and ensure safety, it is important to possess a substantial level of knowledge when engaging in gold investment. Furthermore, it is imperative for the contemporary youth to get comprehensive knowledge regarding the pricing, level of gold purity, and authorized companies. This will effectively address the issue of counterfeit gold sales. According to a prior study conducted by Shobha (2017), investors can generally be classified into two distinct categories: risk-averse individuals and risk-taking individuals. Hence, possessing a substantial degree of literacy, education, and expertise in gold investment is of utmost significance for investors.

When engaging in a gold investment, it is imperative for investors to exercise prudence in selecting a secure location. Based on the data presented in Table 2, the results indicate a significant level of awareness among the respondents regarding the second issue, which pertains to the comparative safety of Shariah-compliant gold investment in relation to conventional gold investment. The findings indicate that a majority of respondents, specifically 86%, express agreement with the notion that Shari'ah-compliant gold investments are safer than conventional gold investments. The aforementioned finding is corroborated by Awang's (2016) prior research, which highlights the presence of *gharar* in a gold investment account that fails to adhere to Shariah principles. This *gharar* element may be discerned by examining the conceptual framework employed by the bank in the functioning of the gold investment account. To enhance the market reach of this product, namely inside the Malaysian market, it is imperative to revise and incorporate the gold investment account into a shariah-compliant offering. This phenomenon can be attributed to the perception of increased safety and trustworthiness among the general people, leaving little room for skepticism.

Investors have a tendency towards allocating their money in favor of gold as opposed to alternative investment vehicles. Evidently, there has been a notable increase in the recognition of gold investing as a viable alternative asset in individuals' financial portfolios. The study revealed that a significant majority, up to 89%, expressed agreement with the perceived simplicity of gold investment as a viable alternative asset in one's financial portfolio. This assertion is substantiated by the research conducted by Md Said (2006). Gold-based investments are considered superior to investments backed by the value of paper currency due to their less depreciation and greater stability in value over extended periods. Unlike stored paper money, gold-based investments do not undergo severe depreciation, making them a more reliable option for long-term investment. Hence, gold investing is deemed very appropriate as an alternative asset, with a consensus among individuals who acknowledge its viability as a supplementary investment option in one's financial portfolio.

It is imperative for individuals adhering to the Islamic faith to exercise caution and prioritize Shariah-compliant gold investments over conventional alternatives when considering engagement in gold investments. In the fourth inquiry, the findings indicated that a significant majority of participants, approximately 91%, expressed their awareness of the distinction between Shariah-compliant gold investments and conventional alternatives. A study conducted by Mas'ad, Rozali, Ismail, and Johari (2019) highlighted the existence of gold investment schemes that continue to be implemented inside the conventional system, which is based on usury. Gold investment schemes such as the one mentioned are inherently incompatible with Shari'ah regulations and are strictly prohibited due to their non-compliance with sharia and halal principles. This reasoning aligns with the Gold Investment Parameters established by Muzakarah Kebangsaan Fatwa in 2011, which stipulates that buy and sell transactions should be devoid of *riba*, gambling, excessive *gharar*, and tyranny. If the aforementioned aspects are present inside a transaction, it is deemed that the buying and selling involved does not match the conditions set forth by Shariah principles.

The final question in this section asks whether respondents are aware that investing in conventional gold is forbidden because it violates Shariah. According to the results of the fifth question, 74% of respondents concur, while 26% of them were either not aware or not sure that conventional gold investments are unlawful. Although the percentage of negative results is not high, it gives certain implications that there are a significant number of Muslims youth that are still not aware about this matter. As such, it is not surprising when many gold investors are being cheated by Geneva Malaysia Sendirian Berhad. Geneva Malaysia Sendirian Berhad (GMSB) was reportedly charged with RM450 million for money laundering and taking illicit deposits from the public on August 4, 2020 (Karim, 2020). It was fined specifically under section 25(1) of the Banking and Financial Institutions Act of 1989 (BAFIA) and section 4(1) of the Anti-Money Laundering, Anti-Terrorist Financing, and Proceeds of Unlawful Activities Act of 2001. In this circumstance, it appears that approximately 35,000 Malaysians have invested in the largest gold scam company in the country. Geneva Malaysia Sdn Bhd (GMSB) was founded in 2002 as a Shariah-compliant company with a Malay Muslim director. It has tarnished the reputation of Shariah compliance and Islam itself. Muslims primarily invested in the halal platform because it offered

Shariah-compliant goods (Juisin, 2021). In order to prevent a recurrence of this kind of crisis, it is crucial to maintain a high level of awareness.

Table 2. Shariah-Compliant Gold Investment Level of Awareness

No#	Question#	Strongly Disagree#	Disagree#	Neutral#	Agree#	Strongly Agree#
1#	I always read current issues about Shariah-compliant gold investment.#	10# (8.3%)#	18 # (15%)#	38 (31.7%)#	42 (35%)#	12 # (10%)#
2#	I am aware that Shariah-compliant gold investments are safer than conventional gold investments.#	2 # (1.7%)#	1 # (1%)#	14 (11.7%)#	55# (46%)#	48# (40%)#
3#	I am aware that gold investment as one of the alternative assets in life.#	5 # (4.2%)#	1# (1%)#	7# (5.8%)#	59# (49%)#	48# (40%)#
4#	As a Muslim, I am aware that I need to choose Shariah-compliant gold investment instead of conventional one.#	2# (1.7%)#	-#	8# (7%)#	46# (38%)#	64# (53%)#
5#	As a Muslim, I am aware that investing in conventional gold is haram because it does not comply with Shariah.#	5# (4.2%)#	7# (5.8%)#	19# (15.8%)#	47# (39%)#	42# (35%)#

However, to see the level of awareness of Shariah-compliant gold investment between all questions can be clearly observed from the mean score of each question from Table 3. According to the table, the highest mean is 3.30 for the question “I am aware that Shariah-compliant gold investments are safer than conventional gold investments.” Meanwhile, the lowest is 2.76 for “I always read current issues about Shariah-compliant gold investment.” Whereas the overall mean score is 3.07, which is at a moderate level. As such, the result shows that the young generation in Terengganu have moderate level of awareness of Shariah-compliant gold investment. It is not surprising since 85% of the respondents are students, who may obtain basic exposure about Shariah-compliant gold investment but have not yet become gold investors.

Table 3. Mean Score of Each Question

No	Question	Mean
Level of Awareness		
1	I always read current issues about Shariah-compliant gold investment.	2.76
2	I am aware that Shariah-compliant gold investments are safer than conventional gold investments.	3.30
3	I am aware that gold investment as one of the alternative assets in life.	3.29
4	As a Muslim, I am aware that I need to choose Shariah-compliant gold investment instead of conventional one.	2.87
5	As a Muslim, I am aware that investing in conventional gold is haram because it does not comply with Shariah.	3.15
Overall mean score		3.07

5. Conclusion

In summary, this study reveals that the younger generation in Terengganu, Malaysia exhibits a knowledge of Shariah-compliant gold investment as a viable alternative asset. This phenomenon of awareness is evident in the findings of descriptive analytic studies, which have yielded significantly moderate mean values. The findings of this study demonstrate a significant degree of awareness regarding Shariah-compliant gold investment among the younger demographic in Terengganu. The purpose of this study was to ascertain the level of awareness of Shariah-compliant gold investment among the younger population in Terengganu, Malaysia. However, it was also found that a significant percentage of respondents (26%) are not sure and not aware that conventional gold investments are unlawful. It indirectly shows that certain actions should be taken to solve this issue.

The researchers have provided some recommendations in order to enhance understanding of Shariah-compliant gold investing, based on the discourse around the conducted study. The relevance of this advice lies in its recognition of the importance of increasing awareness about Shariah-compliant investments. By doing so, it acts as a preventive step against individuals engaging in illicit financial practices. The study posits that it is advantageous for the younger generation to gain the requisite information and abilities to actively participate in investment activities, while also recognizing the value of gold as a significant asset.

Gold is a significant asset that might provide assistance during challenging circumstances. Moreover, considering the ongoing depreciation of the nation's currency, allocating funds towards gold can provide a certain degree of resilience in navigating challenging circumstances. Furthermore, the formulation of this suggestion was prompted by the administration of a survey to the younger demographic. The findings of the research indicate that within the contemporary younger demographic, there exists a segment that lacks awareness regarding the significance of engaging in Shariah-compliant gold investments to circumvent usury. According to the completed analysis, the level of awareness is deemed satisfactory. Subsequently, the researcher proposed the implementation of a comprehensive

questionnaire to facilitate the expansion of study by other scholars, encompassing a wider range of demographics beyond the younger generation. This limitation arises from the study's exclusive focus on the younger demographic within the geographical scope of Terengganu state. Moreover, it is imperative to obtain a more comprehensive understanding of the general populace's level of awareness regarding investments in gold that adhere to Shariah principles. Discussion on factors affecting gold investment behavior among Muslim youth can also be conducted for future research to obtain deeper understanding on the subject matter.

The researchers additionally proposed that the dissemination of information regarding gold investing be introduced at an earlier stage to the younger population. The purpose of this initiative is to encourage the younger generation to exercise caution when engaging in gold investment activities and to choose for Shariah-compliant gold investments as a means to mitigate the risks associated with fraud and uncertainty and further enhance their financial literacy. It is also suggested by researchers that regulatory bodies should carry out periodic inspections and enforce the registration and adherence to Shariah principles by gold investment centers.

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