MGIP PART 2:2026

MALAYSIA GOLD INDUSTRY PRINCIPLES (MGIP) - PART 2: REQUIREMENTS FOR ORGANISATIONS SEEKING CERTIFICATION

Malaysia Gold Industry Principles (MGIP)

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Foreword

The Malaysia Gold Industry Principles (MGIP) is a national framework established to promote responsible, ethical, transparent, and sustainable practices throughout the Malaysian gold industry. MGIP aims to strengthen industry governance, enhance consumer confidence, support product quality and integrity, and improve the competitiveness and international recognition of Malaysia's gold industry.

The MGIP Part 1, *Governing Charter*, establishes the vision, core values, principles, governance framework, and strategic direction of MGIP. It serves as the overarching reference document for organisations seeking to align their practices with and demonstrate their commitment to the objectives and principles of MGIP. The principles are as follows:

a) PRINCIPLE 1 Fairness and integrity;

b) PRINCIPLE 2 Transparency;

c) PRINCIPLE 3 Protection of client assets;

d) PRINCIPLE 4 Responsible gold sourcing;

e) PRINCIPLE 5 Regulatory compliance;

f) PRINCIPLE 6 Commercial prudence; and

g) PRINCIPLE 7 Operational professionalism.

MGIP Part 2 specifies the requirements for certification under the MGIP framework. It translates the principles and commitments set out in the MGIP Part 1, *Governing Charter* into measurable and verifiable requirements that organisations can implement and demonstrate through their policies, processes, practices, and controls. The requirements are structured into eight (8) codes covering:

a) Code 1: Refining;

b) Code 2: Wholesale and trading;

c) Code 3: Manufacturing;

d) Code 4: Assaying and hallmarking;

e) Code 5: Retail;

f) Code 6: Financial and investment-linked gold products;

g) Code 7: Gold-backed micro-financing; and

h) Code 8: Shariah gold (under development).

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MGIP PART 2:2026

The requirements specified in this document provide a structured approach for implementing the principles of responsible business conduct, integrity, accountability, transparency, quality assurance, and continual improvement within the gold value chain.

Conformity with this document demonstrates an organisation's commitment to the objectives of MGIP and contributes to strengthening trust, credibility, and sustainability across the Malaysian gold industry.

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Information to assist users of the standard

For the purposes of this standard, the following ISO definitions have been adopted regarding verbal forms for the expression of provisions:

a) "**shall**" indicates an auditable **requirement**: it is used to indicate requirements strictly to be followed in order to conform to the document and from which no deviation is permitted;

b) "**should**" indicates a **recommendation**: it is used to indicate that among several possibilities one is recommended as particularly suitable, without mentioning or excluding others, or that a certain course of action is preferred but not necessarily required, or that (in the negative form) a certain possibility or course of action is deprecated but not prohibited;

c) "**may**" indicates a **permission**: it is used to indicate a course of action permissible within the limits of the document; and

d) "**can**" indicates a **possibility** or a **capability**: it is used for statements of possibility and capability, whether material, physical or causal.

Compliance with this standard does not by itself grant immunity from legal obligations.

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MALAYSIA GOLD INDUSTRY PRINCIPLES (MGIP) - PART 2: REQUIREMENTS FOR ORGANISATIONS SEEKING CERTIFICATION

SECTION 1 GENERAL REQUIREMENTS

1.1 Scope

This document specifies the requirements for organisations seeking certification under the Malaysia Gold Industry Principles (MGIP) scheme.

It establishes the requirements for the implementation and continual improvement of systems, processes, and practices that support the objectives and principles of MGIP, including responsible business conduct, product integrity, traceability, quality assurance, transparency, and regulatory compliance.

1.2 Normative references

The following normative references are indispensable for the application of this standard. For dated references, only the edition cited applies. For undated references, the latest edition of the normative reference (including any amendments) applies.

MGIP Part 1: Governing Charter

MS 1247:2005, *Description and Marking of Articles of, or Containing Precious Metal — Code of Practice (First Revision)*

ISO 15093, *Jewellery and Precious Metals — Determination of High Purity Gold, Platinum and Palladium — Difference Method Using ICP-OES*

ISO 18214, *Jewellery and Precious Metals — Determination of High Purity Gold, Silver, Platinum and Palladium — Difference Method Using SPARK-OES*

ISO 23345, *Gold — Determination of Homogeneity*

ISO 24018, *Precious Metals — Gold Bars — Specifications and Test Methods*

ISO/IEC 17025, *General Requirements for the Competence of Testing and Calibration Laboratories*

ISO 31000, *Risk Management — Guidelines*

ISO/IEC 27001, *Information Security Management Systems — Requirements*

ISO/IEC 27005, *Information Security Risk Management*

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SIRIM 67, *Keperluan Penilaian Emas dan Perak sebagai Barang Gadaian*

SIRIM 68, *Requirements for Precious Metal Assaying Laboratories*

Trade Descriptions Act 2011 (Act 730)

Trade Descriptions (Articles Made of Precious Metals) Regulations 1994

Companies Act 2016 (Act 777)

Income Tax Act 1967

Sales Tax Act 2018

Environmental Quality Act 1974

Customs Act 1967

Consumer Protection Act 1999 (Act 599)

Occupational Safety and Health Act 1994 / Occupational Safety and Health Act 2022

Industrial Coordination Act 1975

Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (Act 613)

Financial Services Act 2013 (Act 758)

Islamic Financial Services Act 2013 (Act 759)

Capital Markets and Services Act 2007

Cooperative Societies Act 1993

Pawnbrokers Act 1972 (Act 81)

London Bullion Market Association (LBMA) Responsible Gold Guidance

London Bullion Market Association (LBMA) Good Delivery Rules

London Bullion Market Association (LBMA) Proactive Monitoring (PAM) Programme

OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas

UN Guiding Principles on Business and Human Rights

ILO Conventions

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1.3 Terms and definitions

For the purposes of this standard, the following terms and definitions apply.

1.3.1 entity

refers to any legal or organisational unit operating within the gold value chain, including but not limited to companies, firms, partnerships, sole proprietorships, government bodies, or other institutions engaged in activities such as refining, trading, manufacturing, assaying, hallmarking, or retail of gold.

1.3.2 fineness

content of gold, expressed as parts per thousand (‰) by mass.

1.3.3 hallmark

official control mark (or combination of marks), applied by a State-appointed, independent Assay Office.

1.3.4 jewellery

ornamental article worn on clothing or the body, or inserted into pierced parts of the body, such earrings and other bodypiercings.

1.3.5 semi-finished product

product that can easily be used to produce a finished item and/or a component part.

1.3.6 finished product

manufactured article ready for end-use.

1.3.7 doré bar

ingot made of gold, silver and other metals obtained after pre-refining usually at the site of a mine.

1.3.8 minted bar

homogeneous bar manufactured by stamping or pressing, with a specific design and markings, as well as a legal fineness.

1.3.9 cast bar

homogeneous bar produced in a mould directly from melted metal, without further metallurgical treatment after solidification, with a rectangular parallelepiped shape.

NOTE. Usually the cast bar is formed as a truncated pyramid to allow an easier extraction from the mould.

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1.3.10 kilobar

investment bar weighing one kilogram, usually obtained by a casting process.

NOTE. The gold kilobar is the world's most traded gold bar, popular among investors and jewellery manufacturers; ISO 24018 specifies a number of requirements (including dimensions, mass, fineness, markings, appearance) for that product.

1.3.11 bullion

fine precious metal bar meeting given specifications (dimensions, mass, fineness, markings, appearance).

1.3.12 refining

processing, purification, and recovery of gold to achieve specified purity levels suitable for commercial use.

EXAMPLE Refining doré gold and recycled gold, precious metals recovery from scrap jewellery or industrial materials, production of refined gold bars or feedstock for manufacturing, recycling and secondary refining of gold.

1.3.13 wholesale and trading

sourcing, wholesale trading, and distribution of gold products within domestic and international markets.

EXAMPLE Wholesale gold products trading between dealers, distribution of investment-grade gold products, international gold products sourcing and trading, and institutional or B2B transactions.

1.3.14 manufacturing

fabrication and production of gold products for commercial and consumer markets.

EXAMPLE Jewellery manufacturing and fabrication, production of minted bars and commemorative gold products, fabrication of gold components and finished consumer products, design and production of jewellery and related items.

1.3.15 assaying and hallmarking

testing, verification, and certification of gold purity and authenticity.

NOTE. This includes laboratory testing gold purity, issuance of assay certificates, hallmarking and quality marking of gold products, independent verification of precious metals content.

1.3.16 retail

distribution and sale of gold products directly to consumers or investors.

EXAMPLE Retail sale of gold products, retail distribution of investment gold products, consumer gold investment services, online and physical retail platforms for gold products.

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1.3.17 financial and investment products linked to gold

financial instruments or investment arrangements linked to gold.

EXAMPLE Gold investment accounts offered by financial institutions, exchange-traded gold products (ETFs), exchange-traded gold contracts, structured or digitally represented gold investment products.

1.3.18 gold-backed micro-financing

micro-financing services secured by gold collateral.

EXAMPLE Pawnbroking (conventional or Ar-Rahnu) services secured by gold products; short-term financing secured by gold collateral; valuation and management of gold collateral.

1.3.19 Ar-Rahnu

a valuable asset pledged as security for a debt (secured financing), which may be liquidated to settle the debt in the event of default by the debtor. It is a Sharia-compliant pawnbroking system that provides short-term collateralised loans to individuals.

1.3.20 gold collateral

gold products provided by a customer as security for microfinancing.

1.3.21 Shariah-compliant gold related activities

governance and structuring of Shariah-compliant refineries, gold products and services.

EXAMPLE Structuring of Shariah-compliant activities, including but not limited to refinery operations and gold trading procedures; Shariah advisory and governance oversight; compliance review of Shariah-compliant gold products; and ensuring adherence to Shariah principles in gold-related activities.

1.3.22 Marhun

Gold pledged by a customer as collateral for a financing facility in accordance with the principles of Rahn.

1.3.23 Agent/Distributor

An institution or entity appointed by a Product Provider/Principal to undertake marketing, distribution or sales activities on its behalf, without thereby assuming ownership, issuance, manufacturing, refining or custody responsibilities unless expressly agreed or undertaken.

1.3.24 Product provider/Principal

An institution or entity that owns, issues or provides the gold product and assumes the obligations attributable to the product provider under this Code.

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SECTION 2 MANAGEMENT SYSTEM

2.1 Context of organisation

The quality management system requirements specified in this document are common requirements applicable to all organisations in the gold value chain.

Organisations operating within regulated sectors, such as banking institutions, shall additionally comply with the applicable policy documents, guidelines, directives, acts, regulations, and other regulatory requirements issued or enforced by the relevant authorities. For banking institutions in Malaysia, this includes requirements issued by Bank Negara Malaysia (BNM), as well as applicable legislation and regulatory obligations governing their operations.

2.1.1 Understanding the organisation and its context

2.1.1.1 The organisation shall determine and monitor internal and external issues relevant to its business activities that may affect its ability to fulfil MGIP certification requirements.

2.1.1.2 The organisation shall identify issues related to:

a) business operations;

b) market conditions;

c) legal and regulatory obligations;

d) economic and financial factors;

e) technology and cybersecurity;

f) occupational health and safety;

g) environmental impacts;

h) gold market integrity; and

i) stakeholder expectations.

2.1.1.3 The organisation shall review the issues identified in 2.1.1.2 at planned intervals and whenever significant changes occur.

2.1.2 Interested parties

2.1.2.1 The organisation shall determine its interested parties, i.e. parties that may affect, be affected by, or perceive themselves to be affected by the organisation's gold-related business activities.

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2.1.2.2 The organisation shall determine the applicable needs, expectations, and requirements of these identified interested parties.

2.1.2.3 The organisation shall monitor and review information relating to these interested parties and their requirements at planned intervals, or when significant changes occur.

NOTES:

1. Relevant interested parties may differ depending on the organisation's certified activity, size, business model, and regulatory obligations.

2. Examples of interested parties include:

   a) customers;

   b) investors;

   c) gold suppliers and service providers;

   d) financial institutions;

   e) government agencies;

   f) regulatory authorities;

   g) certification and accreditation bodies;

   h) employees and workers;

   i) shareholders and business owners;

   j) local communities;

   k) industry associations; and

   l) law enforcement agencies, where applicable.

3. Interested parties that may be particularly relevant based on the Code under which the organisation’s business operates are as listed below :

   a) Code 1 (Refining): regulators, suppliers, laboratory service providers, and environmental authorities

   b) Code 2 (Wholesale and Trading): suppliers, customers, financial institutions, and AML/CFT regulators

   c) Code 3 (Manufacturing): suppliers, customers, workers, DOSH, and environmental authorities

   d) Code 4 (Assaying and Hallmarking): customers, accreditation bodies, regulators, and laboratories

   e) Code 5 (Retail): consumers, enforcement authorities, and financial institutions

   f) Code 6 (Financial and Investment-Linked Gold Products): investors, custodians, financial regulators, and financial institutions

   g) Code 7 (Gold-Backed Micro-Financing): borrowers, investors, financial institutions, regulatory authorities, and Shariah governance bodies (where applicable)

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2.1.3 Scope of certification

2.1.3.1 The organisation shall define their scope of management system. The scope shall be maintained as documented information. An organisation shall only claim certification for the Code(s) appearing within its certification scope.

2.1.3.2 The scope shall include:

a) name of legal entity;

b) physical location(s);

c) Code(s) under which the organisation's activity(ies) for which certification is being sought falls ;

d) products and services covered; and

e) outsourced activities, where applicable.

2.2 Leadership and governance

2.2.1 Leadership commitment

Top management shall demonstrate its commitment to:

a) compliance with MGIP requirements;

b) ensuring product integrity;

c) compliance with applicable legal requirements;

d) ethical business conduct;

e) occupational health and safety;

f) environmental responsibility; and

g) continual improvement.

2.2.2 Corporate governance

2.2.2.1 The organisation shall maintain a documented governance structure.

2.2.2.2 Responsibilities, authorities and reporting lines shall be defined.

2.2.2.3 Management shall ensure accountability for:

a) compliance;

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b) risk management;

c) financial integrity;

d) product integrity; and

e) customer protection.

2.2.3 MGIP policy

2.2.3.1 The organisation shall establish, document and maintain a MGIP Policy.

2.2.3.2 The policy shall include commitments towards:

a) legal compliance;

b) ethical sourcing and trading;

c) responsible business conduct;

d) health and safety;

e) environmental protection;

f) customer confidence; and

g) continual improvement.

2.3 Planning

2.3.1 Risk and opportunity management

2.3.1.1 The organisation shall establish a documented risk management process.

2.3.1.2 Risks shall be assessed considering likelihood and impact.

2.3.1.3 Risk treatment actions shall be implemented and monitored. Minimum risk areas that need to be monitored are as follows.

a) fraud;

b) theft;

c) money laundering;

d) counterfeit products;

e) cybersecurity;

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f) market volatility;

g) legal non-compliance;

h) safety incidents;

i) environmental incidents; and

j) reputational risks.

NOTE. For all codes, fraud prevention, traceability and anti-money laundering controls are to be treated as critical certification issues.

2.3.2 MGIP objectives

2.3.2.1 The organisation shall establish measurable objectives.

2.3.2.2 Objectives shall include, where applicable:

a) compliance performance;

b) customer satisfaction;

c) safety performance;

d) environmental performance; and

e) operational performance.

2.3.3 Management of change

When the organisation determines the need for changes, it shall ensure that the changes are planned and implemented in a controlled manner such that compliance with requirements is not affected. Examples of changes include:

a) relocation;

b) ownership changes;

c) new technology;

d) new products;

e) new suppliers; and

f) outsourcing arrangements.

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2.4 Support

2.4.1 Resources

The organisation shall provide resources necessary to achieve conformity. Resources shall include:

a) competent personnel;

b) premises;

c) equipment;

d) information systems;

e) security controls; and

f) financial resources.

2.4.2 Competence

2.4.2.1 Personnel performing activities affecting conformity shall be competent. Specifically, personnel conducting assaying, purity verification, hallmarking or investment product verification shall possess demonstrable competency.

2.4.2.2 Competence shall be based on one or more of the following:

a) education;

b) training;

c) qualification;

d) experience.

2.4.3 Awareness

Personnel shall be aware of and understand:

a) MGIP requirements;

b) company policy;

c) legal obligations; and

d) consequences of non-compliance.

2.4.4 Communication

The organisation shall establish internal and external communication arrangements.

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2.4.5 Documented information

2.4.5.1 The organisation shall establish controls for documented information, including:

a) creation;

b) approval;

c) revision;

d) access;

e) retention; and

f) disposal.

2.4.5.2 Records shall remain legible, traceable and retrievable. Missing traceability records shall be treated as a major finding.

2.5 Operational compliance requirements

2.5.1 Legal and regulatory compliance

2.5.1.1 The organisation shall be legally registered in Malaysia.

2.5.1.2 The organisation shall maintain applicable licences, permits and approvals.

2.5.1.3 The organisation shall periodically evaluate compliance with applicable legal requirements which shall include, but not limited to, the following:

a) Companies Act 2016

b) Income Tax Act 1967

c) Sales Tax Act 2018

d) Occupational Safety and Health Act 1994 / OSHA 2022 amendments

e) Factories and machinery legislation, where applicable

f) Environmental Quality Act 1974

g) Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001

h) Local government authority requirements

Violation of legal requirements may result in suspension or withdrawal of certification.

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2.5.2 Occupational health and safety

2.5.2.1 General

The organisation shall establish arrangements to identify, assess and control occupational hazards. The absence of a documented Hazard Identification, Risk Assessment, and Risk Control (HIRARC) and unresolved occupational safety and health violations of a serious nature shall constitute major nonconformities.

2.5.2.2 Legal compliance

The organisation shall ensure compliance with applicable Department of Occupational Safety and Health (DOSH) legal requirements.

2.5.2.3 Hazard management

The organisation shall:

a) conduct hazard identification;

b) assess risks;

c) implement controls; and

d) review effectiveness.

2.5.2.4 Emergency preparedness

The organisation shall establish emergency response procedures.

2.5.2.5 Incident management

The organisation shall investigate occupational safety and health incidents and implement corrective actions.

2.5.3 Environmental management

2.5.3.1 The organisation shall identify environmental aspects associated with its activities.

2.5.3.2 The organisation shall ensure compliance with applicable environmental legal requirements. Illegal disposal of hazardous waste shall result in major nonconformity.

2.5.3.3 The organisation shall control:

a) waste generation;

b) hazardous materials;

c) emissions;

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d) effluent discharge; and

e) resource consumption.

2.5.3.4 Environmental incidents shall be reported, investigated and addressed.

2.5.4 Supply chain and due diligence

2.5.4.1 The organisation shall evaluate and approve suppliers relevant to activities under its scope of certification.

2.5.4.2 Monitoring of supplier performance shall be conducted periodically.

2.5.4.3 The organisation shall establish due diligence processes to mitigate the following risks, related to the businesses of its suppliers.

a) fraud;

b) counterfeit gold;

c) illegal sourcing; and

d) financial crime.

2.5.5 Traceability and product integrity

2.5.5.1 The organisation shall maintain traceability of gold materials and products relevant to its Code activities. Loss of traceability shall be considered a major certification risk.

2.5.5.2 Records shall permit verification of:

a) source;

b) movement;

c) ownership; and

d) disposition.

2.6 Performance evaluation

2.6.1 Monitoring and evaluation

The organisation shall monitor, analyse and evaluate the following:

a) compliance performance;

b) customer complaints;

c) supplier performance;

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d) safety performance;

e) environmental performance; and

f) achievement of objectives.

2.6.2 Internal audit

Internal audits shall be conducted at least once every 12 months.

2.6.3 Management review

The organisation shall carry out a review of the performance its management system at planned intervals. Management reviews shall be conducted at least annually.

Mandatory inputs shall include:

a) audit findings;

b) customer complaints;

c) legal compliance status;

d) safety performance;

e) environmental performance;

f) risks and opportunities; and

g) supplier performance.

The output of the review shall include, if applicable, recommendation(s) to improve the effectiveness of the management system.

2.7 Improvement

2.7.1 Nonconformity and corrective action

Where non-conformities are detected relating to the implementation of the system, root-cause-based corrective actions shall be implemented and verified for effectiveness.

2.7.2 Continual improvement

The organisation shall identify and implement actions aimed at continual improvement of its MGIP-certified activities.

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SECTION 7 CODE OF PRACTICE FOR RETAIL

7.1 Scope

This Code specifies the requirements for retail entities seeking certification under the Malaysian Gold Industry Principles (MGIP) and engaged in the sale of gold products and related retail activities.

The requirements of this Code apply to retail activities involving gold jewellery, gold bars, bullion and other gold products, including product verification, storage, sales transactions, customer protection, product integrity and related retail operations, where applicable.

Where a retail entity acts solely as Agent/Distributor for a Product Provider/Principal, the requirements of this Section apply only to the extent relevant to the activities and responsibilities undertaken by that entity, subject to the role allocation requirements under Section 8.2.5, where applicable.

7.2 Governance requirements

7.2.1 Legal, regulatory and ethical compliance

The retail entity shall:

a) comply with all applicable laws, regulations, licensing and tax requirements;

b) establish a Code of Ethics and Business Conduct;

c) maintain anti-fraud, anti-corruption and consumer protection policies; and

d) maintain adequate documentation and disclose information required by regulators.

7.2.2 Governance and accountability

The retail entity shall:

a) Establish governance structures, roles and responsibilities.

b) Designate personnel responsible for compliance, customer protection and responsible sourcing.

c) Establish whistleblowing and grievance mechanisms.

d) Conduct regular management reviews.

7.2.3 Supplier due diligence and Know Your Provider (KYP)

The retail entity shall:

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a) Conduct supplier due diligence prior to onboarding.

b) Maintain supplier registration records, licences and certifications.

c) Conduct periodic review of supplier status.

d) Maintain a preferred supplier list based on approved criteria.

7.3 Quality Management

7.3.1 Quality Management System

The retail entity shall:

a) Establish documented procedures covering procurement, storage, sales, returns and customer service.

b) Conduct periodic internal audits.

c) Maintain corrective action processes.

7.3.2 Competency and Training

The retail entity shall:

a) Provide training to employees on relevant subject matter such as follows:

   i) Gold product knowledge;

   ii) Hallmark interpretation;

   iii) Product authentication;

   iv) Customer service;

   v) Responsible sourcing; or

   vi) AML and CFT requirements.

b) Maintain competency records.

7.3.3 Customer education

The retail entity shall:

a) Provide educational materials regarding:

   i) Gold purity and hallmarking

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ii) Product pricing

iii) Responsible purchasing

iv) Customer rights

b) Refer customers to credible industry and regulatory sources.

7.3.4 Customer complaints management

The retail entity shall:

a) Establish mechanisms to receive, record, investigate and resolve complaints.

b) Define complaint resolution timelines.

c) Maintain complaint records and corrective actions.

7.4 Retail technical requirements

7.4.1 Product verification and acceptance

7.4.1.1 For jewellery products, the retail entity shall:

a) verify the weight, fineness, purity, hallmark and physical characteristics of each jewellery product upon receipt from the supplier;

b) establish documented incoming inspection procedures, including independent verification through recognised testing methods where appropriate. Independent verification shall be performed:

i) for newly approved suppliers prior to routine procurement;

ii) periodically for existing suppliers based on risk assessment; and

iii) whenever product inconsistencies or quality concerns are identified.

c) accept only jewellery products that:

i) comply with the applicable Malaysia Gold Standard (MGS) specifications;

ii) bear a valid and legible hallmark where hallmarking requirements are applicable; and

iii) are accompanied by supporting documentation required by the organisation.

d) investigate and document all discrepancies relating to purity, weight, hallmark, product specifications or accompanying documentation and implement appropriate corrective actions with the supplier.

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7.4.1.2 For gold bar/bullion, the retail entity shall:

a) verify the weight, fineness, purity, serial number (where applicable) and accompanying certificate of each gold bar or bullion product upon receipt;

b) establish documented sampling and independent verification procedures using recognised testing methods for:

   i) newly approved suppliers;

   ii) periodic verification of existing suppliers; and

   iii) products identified through risk assessment or quality concerns.

c) accept only gold bars or bullion that:

   i) comply with the applicable MGS specifications; and

   ii) are accompanied by an authentic certificate issued by the manufacturer or recognised certification body.

d) investigate, document and resolve any discrepancies identified during product verification.

7.4.2 Transportation, storage and security

The retail entity shall:

a) implement appropriate controls for the secure transportation, storage and handling of gold products;

b) implement inventory management controls, including:

   i) restricted access to storage areas;

   ii) segregation of duties;

   iii) authorised inventory custodians;

   iv) periodic stock reconciliation; and

   v) inventory movement records.

c) ensure adequate insurance coverage is maintained for:

   i) products held in storage;

   ii) products in transit;

   iii) products delivered through online or courier channels, where applicable; and

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d) implement appropriate controls to safeguard customer-owned items under custody against loss, theft, damage or substitution.

7.4.3 Sales and transaction controls

7.4.3.1 Direct sales

The retail entity shall:

a) establish and implement documented procedures for all sales transactions, including customer identification requirements where required under applicable laws and AML/CFT regulations;

b) perform customer identification and Know Your Customer (KYC) procedures for transactions exceeding regulatory thresholds or where required by applicable legislation;

c) issue invoices or sales receipts only after customer identification requirements have been fulfilled where applicable;

d) maintain complete sales records, including product description, purity, weight, serial number (where applicable), transaction value, payment method and customer information; and

e) accept payments only through recognised and secure payment channels permitted under applicable laws and regulations.

7.4.3.2 Trade-in/buy back

The retail entity shall:

a) establish and implement documented procedures governing trade-in and buy-back transactions;

b) verify the identity of the seller through valid identification documents;

c) conduct Know Your Customer (KYC) procedures in accordance with applicable AML/CFT requirements;

d) obtain proof of ownership or previous purchase documentation where available;

e) verify the authenticity, purity and weight of products before acceptance;

f) maintain complete records of each transaction; and

g) make payments only through recognised payment channels in accordance with applicable legal requirements.

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7.4.4 Advance payments and customer deposits

7.4.4.1 The retail entity shall:

a) clearly communicate all terms and conditions applicable to advance purchase schemes, instalment purchases or customer deposits, including payment schedules, delivery conditions and cancellation provisions;

b) disclose all applicable charges, fees, settlement arrangements, refund conditions and associated risks before accepting customer payments;

c) maintain adequate gold inventory, financial resources or other appropriate arrangements to fulfil customer obligations; and

d) establish procedures to protect customer interests in the event of delayed delivery, business closure or insolvency.

7.4.4.2 Where advance payments or customer deposits are received by an Agent/Distributor on behalf of a Product Provider/Principal, the respective responsibilities for customer monies, fulfilment, refunds, delayed delivery, business closure and insolvency shall be clearly disclosed and governed by the relevant agency/distribution arrangement.

7.4.5 Risk management

The retail entity shall:

a) maintain a risk register.

   Assess and monitor, where applicable, the following:

   i) gold price risk

   ii) counterparty risk

   iii) operational risk

   iv) cybersecurity risk

   v) compliance risk

b) implement mitigation measures and business continuity arrangements.

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7.5 Product standards

7.5.1 Product integrity

The retail entity shall:

a) sell only genuine gold products that conform to applicable Malaysia Gold Standard specifications;

b) verify the declared purity, fineness, weight and:

   i) hallmark for jewellery products; or

   ii) certificate for gold bars or bullion.

c) establish security controls to prevent product substitution, tampering or fraud, including where appropriate:

   i) tamper-evident packaging;

   ii) product tagging;

   iii) barcode or serial number verification;

   iv) CCTV monitoring; and

   v) product verification in the presence of customers during purchase or buy-back transactions.

7.5.2 Hallmarking and certification

7.5.2.1 Jewellery hallmarking

The retail entity shall:

a) sell only jewellery products bearing a valid hallmark where hallmarking requirements are applicable under the Malaysia Gold Standard (MGS) or relevant regulatory requirements;

b) ensure the hallmark corresponds with the declared purity or fineness;

c) ensure the hallmark remains legible and free from visible alteration prior to sale and

d) ensure hallmarked products are obtained only from approved suppliers. A supplier certified under MGIP (refer Clause 2.5.4) shall be deemed an approved supplier. During the transition period, retail entities may approve suppliers in accordance with their own documented approval procedures.

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7.5.2.2 Gold bar/bullion certification

The retail entity shall:

a) sell only gold bars or bullion accompanied by an authentic certificate issued by the manufacturer, refinery or recognised certification body.

b) ensure that the certificate corresponds to the product being sold, including, where applicable:

   i) product weight;

   ii) purity or fineness;

   iii) serial number;

   iv) manufacturer or refinery identification; and

   v) certificate number.

c) ensure that certificates are complete, genuine and free from unauthorised alterations.

7.5.2.3 Suspected non-genuine hallmarks or certificates

The retail entity shall:

a) establish procedures for handling products suspected of containing counterfeit hallmarks or fraudulent certificates;

b) quarantine the affected products pending investigation;

c) notify the supplier and initiate corrective actions where non-conformities are identified; and

d) ensure that products with unverifiable hallmarks or certificates are not offered for sale until authenticity has been confirmed.

7.5.3 Product information disclosure

The retail entity shall display:

a) purity/fineness;

b) weight;

c) product description;

d) pricing breakdown (refer 7.5.4);

e) certification details; and

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f) barcode or product identification (where applicable).

7.5.4 Fair pricing and consumer protection

The retail entity shall:

a) clearly disclose:

   i) gold price;

   ii) cost of workmanship;

   iii) taxes; and

   iv) additional fees.

b) apply pricing consistently and fairly; and

c) communicate return, exchange and buy-back policies.

7.5.5 Marketing and communication

The retail entity shall:

a) ensure marketing materials are accurate and not misleading;

b) clearly communicate product characteristics and risks;

c) avoid misleading comparisons; and

d) avoid representing educational information as professional investment advice.

7.6 Hallmarking and Certification requirements

7.6.1 Hallmark and certification verification

The retail entity shall, where independent verification is performed:

a) verify the authenticity of hallmarks prior to product sale;

b) verify that certificates accompanying gold bars or bullion include, where applicable:

   i) product weight;

   ii) purity or fineness;

   iii) unique certificate or serial number;

   iv) name of manufacturer or refinery;

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v) authorised assayer or issuing body; and

vi) means of independent verification, including manufacturer website or digital verification platform where available.

7.6.2 Non-conforming product management

The retail entity shall:

a) quarantine non-conforming products;

b) conduct root cause investigation; and

c) implement corrective actions.

7.7 Regulatory requirements

The retailer shall identify, comply with, and monitor applicable legal and regulatory requirements relating to the sale and marketing of gold products. Applicable requirements shall include, where relevant:

a) Trade Descriptions Act 2011;

b) Trade Descriptions (Articles Made of Precious Metals) Regulations 1994 (Amended 2010);

c) Consumer Protection Act 1999;

d) Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (AMLA), where applicable;

e) business registration and licensing requirements; and

f) other applicable legal and regulatory requirements relating to the retail sale of gold products in Malaysia.

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MALAYSIA GOLD INDUSTRY PRINCIPLES

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