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 8 CODE OF PRACTICE FOR FINANCIAL AND INVESTMENT-LINKED GOLD PRODUCTS

8.1 Scope

This section specifies principles and requirements for financial and investment-linked gold products under the Malaysian Gold Industry Principles (MGIP).

This section applies to institutions and entities involved in the design, issuance, management, marketing, custody, distribution, redemption, and settlement of financial and investment-linked gold products.

8.2 General requirements

8.2.1 Financial and investment-linked gold products ("product") shall be designed, structured, issued, and managed in accordance with the following principles set out in MGIP part 1, Governance charter:

a) fairness and integrity;

b) transparency;

c) protection of client assets;

d) responsible gold sourcing;

e) regulatory compliance;

f) commercial prudence; and

g) operational professionalism.

8.2.2 These principles shall serve as the foundational requirements to ensure:

a) responsible product development;

b) responsible and ethical marketing;

c) ethical market conduct;

d) protection of stakeholders' interests; and

e) integrity of the gold investment ecosystem.

8.2.3 The institutions/entities shall demonstrate that all product features, marketing, operational processes, and governance arrangements are consistent with and derived from these principles.

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8.2.4 The principles shall be applied across the entire product lifecycle, including but not limited to:

a) Product design

b) Sourcing of gold

c) Custody and safekeeping

d) Distribution and marketing

e) Redemption and settlement

f) Disaster recovery

8.2.5 Roles of Product Provider/Principal and Agent/Distributor

8.2.5.1 Where an institution acts solely as an Agent/Distributor of a gold product on behalf of a Product Provider/Principal, the responsibilities under this Code shall be allocated according to the respective roles of the Product Provider/Principal and the Agent/Distributor.

8.2.5.2 The Agent/Distributor shall not be deemed the issuer, owner, manufacturer, refiner, custodian or Product Provider solely by reason of undertaking marketing, distribution or sales activities.

8.2.5.3 The respective roles, responsibilities and obligations of the Product Provider/Principal and Agent/Distributor shall be clearly defined and documented in the relevant contractual or agency arrangement.

8.2.6 Regulatory requirements

The institution shall identify, comply with, and monitor all applicable legal, regulatory, supervisory, and Shariah requirements relating to financial and investment-linked gold products. Applicable requirements shall include, where relevant:

a) Financial Services Act 2013;

b) Islamic Financial Services Act 2013;

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

d) Capital Markets and Services Act 2007;

e) Consumer Protection Act 1999;

f) Cooperative Societies Act 1993;

g) Pawnbrokers Act 1972; and

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h) applicable requirements, directives, guidelines, and policy documents issued by Bank Negara Malaysia, Securities Commission Malaysia, Suruhanjaya Koperasi Malaysia, and other competent authorities, as applicable.

8.3 Product category and classification

8.3.1 This Code applies to products where the financing and investment are linked directly or indirectly to gold such as:

a) physical investment gold (minted/dinar or any other physical gold);

b) gold investment accounts offered by financial institutions;

c) exchange-traded gold products, including gold-backed exchange traded funds (ETFs);

d) exchange-traded gold contracts and gold-linked trading instruments;

e) structured gold investment products;

f) digitally represented gold investment products, including digital gold platforms and tokenised gold representations; and

g) other gold-linked investment products where physical gold, gold reserves or gold price movements form the underlying asset or reference value.

8.3.2 The product can be classified as allocated, unallocated, digital gold and/or structured-gold linked.

Product category	Classification
Physical gold	Minted, dinar or any other physical gold
Gold investment accounts	Allocated or unallocated (depending on structure)
Gold-backed ETFs	Allocated gold (if fully backed)
Exchange-traded gold contracts	Structured gold-linked
Structured gold products	Structured gold-linked
Digital/tokenised gold	Digital gold
Other gold-linked products	Structured gold-linked

8.3.3 For physical investment gold distributed through an Agent/Distributor, the requirements of Sections 7 and 8 shall apply according to the nature of the activity and the respective roles and responsibilities undertaken by the Product Provider/Principal and Agent/Distributor, without duplication of equivalent requirements.

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8.4 Product technical requirements

8.4.1 Gold purity and fineness

8.4.1.1 The product provider shall declare the following information for each gold investment product:

a) gold purity;

b) fineness; and

c) measurement unit.

8.4.1.2 The declared fineness shall be expressed in parts per thousand (‰) or an equivalent recognised unit.

8.4.1.3 Gold investment products shall have a minimum fineness of 999 (99.9 % gold content).

8.4.1.4 Where the product is marketed or sold as bullion, the preferred fineness shall be 999 or 999.9.

8.4.2 Product specifications

The institution shall establish, maintain, and make available a documented product specification for each financial or investment-linked gold product offered.

The product specification shall define, at a minimum:

a) the product name and unique product identification;

b) the product type (e.g. gold account, exchange-traded fund, investment contract, digital gold product, structured product, or physical gold product);

c) the nature of the underlying gold exposure, including whether the product is backed by physical gold or linked to the price of gold;

d) the quantity representation and unit of measurement of gold holdings;

e) the pricing methodology, including the reference price and pricing frequency;

f) the ownership structure, including whether the gold holdings are allocated or unallocated;

g) customer rights and obligations associated with the product;

h) redemption options and conditions, including physical delivery, digital transfer, or cash settlement, where applicable;

i) applicable fees, charges, and costs; and

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j) key risks associated with the product.

8.4.3 Markings and labelling of physical gold

8.4.3.1 Markings and labelling for physical gold (allocated gold) shall include:

a) refiner hallmark (name or trademark or other identifying mark of the manufacturer);

b) purity and/or fineness;

c) weight;

d) serial number; and

e) assay mark/certificate.

8.4.3.2 Integrity and transparency

Markings shall be accurate, legible, and tamper-resistant.

8.4.3.3 Operational professionalism

Marking processes shall follow recognised gold hallmarking requirements/standards.

8.4.3.4 Protection of client assets

The institution shall establish, implement and maintain controls to ensure the identification, protection, continuity and recoverability of client assets. Such controls shall include, but are not limited to, the following:

a) markings shall enable clear identification and verification of ownership.

b) protection of client assets as per BNM guidelines, Business Continuity Plan (BCP) and Disaster Recovery (DR).

8.4.4 Serialisation and identification, traceability

8.4.4.1 Each gold asset shall have traceability information:

a) unique serial number;

b) refinery record;

c) custody record;

d) ownership/consignee record; and

e) supplier/consignor record.

8.4.4.2 Digital products shall include equivalent electronic identification.

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8.4.4.3 Protection of client assets

Serialisation shall ensure clear ownership attribution.

8.4.4.4 Responsible gold sourcing

Traceability shall cover origin and supply chain.

8.4.4.5 Operational professionalism

Traceability system shall maintain accurate, up to date and secure records.

8.4.4.6 Transparency

Clients shall have access to relevant identification information upon request.

8.4.5 Packaging and disclosure

8.4.5.1 Physical gold products shall be supplied with:

a) tamper-evident packaging;

b) certificate of authenticity;

c) product identification;

d) serial number;

e) purity declaration/ authentication elements;

f) weight; and

g) assay mark/certificate.

8.4.5.2 Digital/financial products shall provide (disclosure):

a) product disclosure document;

b) terms and conditions;

c) redemption mechanism;

d) risk disclosure statement;

e) fee disclosure

f) conversion mechanism; and

g) transfer of ownership mechanism (hibah/gift).

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8.4.5.3 Packaging processes shall ensure consistency and quality control.

8.4.5.4 Disclosure format shall comply with regulation (such as BNM and SC requirements) and shall not omit product material information.

8.4.6 Pricing and valuation

Pricing shall comply with laws and regulations and recognised benchmarks (e.g., London Bullion Market Association (LBMA) Gold Price).

8.4.6.1 Fairness and integrity

Pricing shall reflect prevailing market conditions.

8.4.6.2 Transparency

The institution shall disclose to customers the applicable spreads, fees, charges and the methodology used in determining gold pricing, valuation and returns, as applicable.

8.4.6.3 Commercial prudence

Pricing strategies shall ensure sustainability without exploiting clients.

8.4.7 Technology and digital gold requirements

The institution/entity shall ensure that all digital gold platforms and supporting systems maintain security, integrity, availability, traceability, and resilience of digital gold operations, including transactions, ownership records, and tokenised representations, by implementing:

a) system availability of not less than 99.9 % (excluding planned maintenance);

b) secure transaction processing with end-to-end encryption;

c) strong authentication, access control, and transaction integrity validation;

d) maintaining a robust Information Security Management System (ISMS) aligned with ISO/IEC 27001 Information Security Management Systems (or CRMS);

e) ensuring system resilience through high-availability architecture, tested Disaster Recovery (DR) and Business Continuity Plan (BCP);

f) complying with PDPA and applicable financial data protection requirements;

g) tokenisation and Digital Gold Integrity;

h) security risk management in accordance with ISO 31000 Risk management and ISO/IEC 27005 Information security risk management (or Cyber risk security) through regular risk assessments, vulnerability assessments, penetration testing, and mitigation actions;

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i) implementing incident management processes covering detection, reporting, containment, response, and recovery for incidents affecting customer data, digital gold tokens, and ownership records with escalation and regulatory reporting where required; and

j) continuous improvement through periodic ISMS reviews, audit and in line with BNM requirements.

8.5 Supply chain and custody requirements

8.5.1 Gold sourcing

The institution/entities (product provider) shall establish controls for source verification, refinery assessment and responsible sourcing due diligence. Gold shall be conflict-free and ethically sourced.

8.5.2 Custody requirements

8.5.2.1 The product provider shall establish appropriate custody arrangements to ensure the integrity, security and availability of the underlying product.

8.5.2.2 The custody model shall be clearly disclosed and shall identify whether the product represents:

a) allocated ownership, where specific products are segregated and assigned to individual investors or account holders;

b) unallocated ownership, where investors or account holders hold a claim to a quantity of the product but not to specific identified products; or

c) other custody arrangements, provided that the nature of ownership rights, custody controls and associated risks are clearly disclosed to investors or account holders.

NOTE. Custody arrangements may be undertaken by the product provider, a custodian, a vault operator or another authorised third party, as applicable. The product provider remains responsible for ensuring that custody arrangements are effectively implemented and communicated to investors or account holders.

8.5.3 Verification

8.5.3.1 The product provider shall establish and maintain a verification process to ensure the accuracy, integrity and reliability of information relating to the underlying gold assets, ownership records and custody arrangements.

8.5.3.2 Verification activities shall be performed by competent personnel or independent parties, where applicable, and shall include the following:

a) quantity verification;

b) purity verification;

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c) ownership verification;

d) custody reconciliation.

8.6 Governance and operational controls

8.6.1 Legal, regulatory and ethical compliance

The institutions 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.

8.6.2 Governance and accountability

8.6.2.1 The institutions 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; and

d) conduct regular management reviews.

8.6.2.2 The institutions shall implement:

a) internal controls;

b) risk management systems; and

c) audit mechanisms.

8.6.2.3 Operational professionalism

Processes shall ensure accuracy, reliability, and efficiency.

8.6.2.4 Regulatory compliance

Governance shall align with relevant laws and regulations (BNM/SC/FIMM).

8.6.2.5 Fairness and integrity

Oversight shall prevent misconduct and misrepresentation.

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8.6.3 Refiner/supplier due diligence and Know Your Provider (KYP)

The institutions shall:

a) Conduct refiner/supplier due diligence prior to onboarding.

b) Maintain refiner/supplier registration records, licences and certifications.

c) Conduct periodic review of refiner/supplier status.

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

8.6.4 Client Due Diligence and Know Your Customer/Client (KYC/CDD)

The institutions shall:

a) Conduct client due diligence prior to onboarding.

b) Maintain client registration records.

c) Conduct periodic review of client status.

8.6.5 Agency/Distribution Governance

Where an institution distributes or sells a gold product as Agent/Distributor for a Product Provider/Principal, the agency or distribution arrangement shall clearly establish, where applicable:

a) ownership of the gold prior to sale and the point at which ownership passes to the customer;

b) responsibility for authenticity, purity, weight and certification;

c) responsibility for sourcing, inventory, custody, insurance and delivery;

d) responsibility for determining pricing, spreads, fees and buy-back terms;

e) responsibility for customer onboarding, KYC/CDD and AML/CFT obligations;

f) responsibility for receipt and treatment of customer monies;

g) responsibility for complaints, refunds, failed or delayed delivery and buy-back; and

h) respective responsibilities upon termination, default, business closure or insolvency of the Product Provider/Principal.

8.6.6 Customer Disclosure of Agency Capacity

Where an institution acts as Agent/Distributor, customers shall be clearly informed of:

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a) the identity of the Product Provider/Principal;

b) the capacity in which the Agent/Distributor acts;

c) the respective responsibilities of the Product Provider/Principal and Agent/Distributor; and

d) the party responsible for product fulfilment, custody, delivery, redemption and buy-back, where applicable.

8.7 Demonstration of compliance and conformity

8.7.1 The conformity assessment process shall ensure that financial and investment-linked gold products comply with the requirements through:

a) Documented policies and procedures (documentation review)

b) Audit trails and records

c) Independent verification (where applicable i.e. Gold specification verification, Supply chain verification)

d) Custody audit

e) Proper Shariah confirmation/endorsement (for Islamic financial institution).

8.7.2 All technical and product requirements shall be traceable and subject to periodic review and continuous improvement.

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MALAYSIA GOLD INDUSTRY PRINCIPLES

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