

Press release

Location and date Dubai, 5 December 2016

Launch of the AAOIFI Shari’ah Standard on Gold, developed in collaboration with the World Gold Council

The Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) and the World Gold Council are delighted to announce the issuance of *‘Shari’ah Standard No. 57 on Gold and its Trading Controls* (“the Standard”). The Standard deals with the Shari’ah rulings for gold in its various forms and categories, the Shari’ah parameters for gold transactions and the rulings for gold-based financial products in institutions.

The Standard will, for the first time, set specific rules for the use of gold as an investment in the Islamic finance industry. Until now, there have been no such rules. The new Standard shows that investment in gold is permissible provided that all the relevant Shari’ah rulings are satisfied, including those relating to taking possession of gold and the proper calculation of Zakah.

Dr. Hamed Hasan Merah, Secretary General of AAOIFI, stated: “This all-important Shari’ah Standard culminates substantial efforts exerted by the AAOIFI Shari’ah Board, being the leading and most influential Shari’ah authority across the Islamic finance industry worldwide. It constitutes a new addition to the existing set of AAOIFI’s standards as it covers Shari’ah-compliant mechanisms for dealing and investing in gold in a present-day setting, potentially setting ground for constructing and structuring of new investing products in conformity with Shari’ah rules and precepts, in addition to those relating to liquidity management for Islamic financial institutions. Hopefully, this would represent a progressive stride for the Islamic finance industry.”

The Standard will help open up a new investment asset class, enabling Islamic banks and other financial institutions to grow their customer bases and facilitate the creation of a broader range of saving, hedging and diversification products.

Aram Shishmanian, CEO of the World Gold Council, commented: “This is a ground breaking initiative for Islamic investors and for the gold industry at large. We are delighted that there is now definitive Shari’ah guidance on the permissibility of investing in gold. Gold is a proven wealth preservation asset that Islamic investors can now deploy to protect their wealth and diversify market risks.”

Discussions on the Standard (no. 57) were finalised at the AAOIFI Shari’ah Board meeting on 17-19 November 2016, where the final wording of the Standard was approved. The Standard development followed the usual strict AAOIFI process and incorporated a consultation period including public hearing sessions involving all key stakeholders, to ensure that the final Standard would be a practical tool for the industry.

The new standard will be available in both Arabic and English and can be accessed by subscribers to the digital version of AAOIFI's Standards (through AAOIFI's website and mobile app platforms) or via www.shariahgold.com.

You can follow the World Gold Council on Twitter at [@goldcouncil](https://twitter.com/goldcouncil) and Like on Facebook.

You can follow AAOIFI on Twitter at [@AAOIFI_ORG](https://twitter.com/AAOIFI_ORG)

To learn more about the case for investing in gold in Islamic finance, please read our research report [here](#)

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Note to editors:

About AAOIFI

AAOIFI, established in 1991 and based in Bahrain, is the leading international not-for-profit organisation primarily responsible for development and issuance of standards for the global Islamic finance industry. It is supported by numbers of institutional members, including central banks and regulatory authorities, financial institutions, accounting and auditing firms, and legal firms, from over 45 countries. Its standards are currently followed by the leading Islamic financial institutions across the world and have introduced a progressive degree of harmonisation of international Islamic finance practices.

World Gold Council

The World Gold Council is the market development organisation for the gold industry. Our purpose is to stimulate and sustain demand for gold, provide industry leadership and be the global authority on the gold market.

We develop gold-backed solutions, services and products, based on authoritative market insight and we work with a range of partners to put our ideas into action. As a result, we create structural shifts in demand for gold across key market sectors. We provide insights into the international gold markets, helping people to understand the wealth preservation qualities of gold and its role in meeting the social and environmental needs of society.

The membership of the World Gold Council includes the world's leading and most forward thinking gold mining companies.