
Exploring Shariah-Compliant Gold Investment: The Case of Gold Installments

Trisna Taufik Darmawansyah^{1*}, Mustofa², Dudang Gozali³

^{1,2} UIN Sunan Gunung Djati, Bandung, Indonesia
E-mail: trisnataufik@uinsgd.ac.id

Abstract

Sharia-compliant investments are gaining popularity among Indonesians, particularly amidst global economic uncertainty. One rapidly growing sharia-compliant investment instrument is gold installments, such as those offered by Bank Syariah Indonesia (BSI). BSI Gold Installments allow customers to purchase Precious Metal gold in installments, using a murabahah contract that complies with sharia principles. This study aims to analyze the risks and returns of BSI's gold installment product and evaluate its suitability as a primary investment instrument for customers seeking sharia-compliant investments. Using a quantitative approach, this study estimates the potential profits and risks of BSI's gold installment program using historical gold price data. The analysis shows that while this product offers attractive profit potential, there are differing views among Islamic scholars regarding the suitability of gold installment contracts with Sharia principles. Nevertheless, this product can be a relatively low-risk investment option, especially for those seeking a more affordable gold investment. This study also suggests comparing BSI's gold installments with other gold investment products, such as pawned gold, to further research their performance and sharia-compliant nature.

Keywords: Sharia Investment , BSI Gold Installments , Murabahah , Return , Precious Metals

Abstrak

Investasi syariah semakin diminati masyarakat Indonesia, terutama di tengah ketidakpastian ekonomi global. Salah satu instrumen investasi syariah yang berkembang pesat adalah cicil emas, seperti yang ditawarkan oleh Bank Syariah Indonesia (BSI). Cicil Emas BSI memungkinkan nasabah untuk membeli emas Logam Mulia dengan cara mencicil, menggunakan akad murabahah yang sesuai dengan prinsip syariah. Penelitian ini bertujuan untuk menganalisis risiko dan return yang terkait

dengan produk cicil emas BSI serta mengevaluasi apakah produk ini layak dijadikan instrumen investasi utama bagi nasabah yang mencari investasi sesuai dengan prinsip syariah. Dengan menggunakan pendekatan kuantitatif, penelitian ini mengukur potensi keuntungan dan risiko cicil emas BSI berdasarkan data historis harga emas. Hasil analisis menunjukkan bahwa meskipun produk ini menawarkan potensi keuntungan yang menarik, ada perbedaan pandangan di kalangan ulama mengenai kesesuaian akad cicilan emas dengan prinsip syariah. Meskipun demikian, produk ini dapat menjadi pilihan investasi yang relatif rendah risiko, terutama bagi mereka yang ingin berinvestasi dalam emas dengan cara yang lebih terjangkau. Penelitian ini juga menyarankan perbandingan antara cicil emas BSI dan produk investasi emas lainnya, seperti emas gadai, untuk penelitian lebih lanjut guna memperoleh wawasan lebih dalam mengenai kinerja dan kesesuaian syariahnya.

Kata-kata Kunci: Investasi Syariah, Cicil Emas BSI, Murabahah, Imbal Hasil, Logam Mulia

INTRODUCTION

Amid global economic turmoil and rising inflation, the need for safe, stable investment instruments is increasingly felt, especially among Indonesians who prioritize Sharia principles in every aspect of life, including investing. Sharia investment in Indonesia is experiencing rapid growth, along with increasing public awareness of the importance of investing in accordance with Islamic law. Sharia investment instruments provide investors with an alternative to avoid transactions involving elements of *usury*, *gharar*, and *maysir*, which are prohibited in Islam (Alsaghir, 2023). As the Sharia financial market develops, this investment sector is becoming increasingly attractive, offering a variety of products that are not only safe but also provide sustainable returns.

One of the increasingly popular sharia-compliant investment products in Indonesia is gold installments. This product is offered by Bank Syariah Indonesia (BSI) as part of its sharia-compliant gold investment services. Through the gold installment scheme, customers can purchase Precious Metal gold at a fixed price at the time of the contract and make fixed installment payments, even if the market gold price continues to rise. The contract used is *murabahah*, a sale-and-purchase transaction with a mutually agreed profit margin between the bank and the customer. This product offers convenience for those who want to invest in gold but are limited by financial capacity, as installments can be tailored to the customer's capabilities over a specific period, ranging from 1 to 5 years (MK Hassan et al., 2019).

Gold, as an investment instrument, is widely recognized as a safe-haven asset that can help protect wealth from the risks of inflation and economic uncertainty. Much of the economic literature considers gold a relatively safe investment compared to stocks or bonds, especially during periods of high market volatility (Baur

& Lucey, 2010). Gold maintains its value over the long term, often rising sharply during periods of global economic instability. This makes gold a primary choice for investors seeking to protect their wealth amid economic uncertainty, such as uncontrolled inflation or sharp market fluctuations. Furthermore, gold is internationally recognized as a highly liquid asset, providing liquidity to investors who need cash quickly (Jaffe, 1989).

As the country with the largest Muslim population in the world, Indonesia has a vast potential market for sharia-compliant investment products, particularly gold. With the development of BSI's gold installment product, people not only gain easy access to gold investments but also ensure that these investments comply with Sharia principles. This product facilitates people to start investing with small capital while protecting their wealth through a proven, effective hedging instrument. Therefore, this study aims to analyze the risks and returns associated with BSI gold installment investments and to understand how this product can provide sustainable benefits for customers who invest in accordance with Sharia principles.

LITERATURE REVIEW

Basic Concepts of Sharia Investment

Sharia investment, also known as Islamic investment, is a financial practice governed by principles derived from Islamic law (Sharia). These principles ensure that financial activities are not only profitable but also ethically sound and compliant with religious guidelines. One of the core aspects of Sharia investment is the prohibition of interest (*riba*), a practice that is considered exploitative in Islamic finance. This is different from conventional finance, where interest is commonly a source of income. The prohibition on usury is fundamental to distinguishing Islamic finance from its conventional counterparts and to encouraging investments that promote fairness and social justice (Subekti et al., 2020).

In addition to prohibiting usury, Sharia investment emphasizes profit-and-loss sharing as a core concept. This is typically implemented through two central financial contracts: *Musharakah* (joint venture) and *Mudarabah* (profit-sharing). Under these agreements, both the investor and the investee share the risks and rewards of the investment, promoting fairness and discouraging one-sided financial gains (R. Hassan et al., 2024). The idea is to ensure that financial rewards are directly linked to the business's real performance, thereby eliminating speculation and risk concentration in the hands of a single party.

Furthermore, Sharia investment requires that transactions be asset-backed. This means that investments must be based on tangible assets or real economic activities, rather than speculative ventures. This principle is designed to encourage

real economic value and discourage the creation of artificial financial products that may lead to market instability. Asset-backed financing ensures that investment activities contribute to the overall development of the economy and avoid excessive speculation, which is considered harmful under Islamic finance (Ilias, 2011).

Another significant feature of Sharia investment is its focus on ethical and social responsibility. Investments must align with Islamic values by avoiding sectors and activities that are deemed harmful or unethical. This includes industries such as gambling (*maisir*), excessive uncertainty (*gharar*), and the production of prohibited goods such as alcohol, tobacco, and pork. The goal is to promote investments that benefit society and avoid those that could harm individuals or communities (Sakinç, 2021). This ethical screening helps ensure that investments not only generate financial returns but also contribute positively to society.

Sharia investment also involves a rigorous screening process to ensure compliance with Islamic principles. This includes both qualitative criteria, such as the nature of the business activities, and quantitative criteria, such as financial ratios. Sharia-compliant financial instruments, such as Sukuk (Islamic bonds) and Islamic indices, are structured to offer returns through profit-sharing or rental income rather than interest. These instruments ensure that investors can achieve returns that are ethically and religiously compliant while also promoting the growth of sustainable businesses (Saad et al., 2025). This combination of ethical standards, social responsibility, and rigorous screening makes Sharia investment a unique and viable alternative to conventional financial systems.

Ushul Fiqh Against Non-Cash Buying and Selling of Gold

The Islamic Bank's initiative to offer gold installment plans has sparked a profound debate in Islamic jurisprudence (fiqh). According to the hadith of the Prophet Muhammad (peace be upon him), gold is classified as a usurious commodity. The Prophet's hadith, recorded in Muslim No. 1587, states that gold transactions must be made in equal amounts and in cash. Any additional payment or request for additional payment is considered usury. Therefore, gold installment mechanisms must consider these principles to ensure compliance with Sharia law.

الذهب بالذهب والفضة بالفضة والبر بالبر والشعير بالشعير والتمر بالتمر
والمالح بالملح مثلاً بمثل، سواء بسواء، يدا بيد، فمن زاد أو استزاد فقد أربى.
رواه مسلم

"Gold is sold for gold, silver is sold for silver, wheat is sold for wheat, sya'ir (a type of

wheat) is sold for *sya'ir*, dates are sold for dates, and salt is sold for salt. (the measure/weighing) must be the same and (paid in) cash. Whoever adds or asks for additional, then he has committed usury." (Muslim History Hadith Number 1587)

The changing function of gold and the dominance of fiat money as a modern medium of exchange need to be considered in establishing laws, using a contextualization approach known as *tahqiq manath* in Usul Fiqh. This process focuses on applying legal causes (*illat*) to contemporary cases. Scholars have varying views on the justification for usury in gold, as it is not explicitly stated in the hadith, leaving room for interpretation. Most scholars agree that the law on usury in gold has a rational justification so that it can be analogized (*qiyas*) to other objects with similar justifications. The book *Subulussalam* states that all Muslims agree on the prohibition of usury in six cases, and that the majority of scholars believe this prohibition also applies to other cases with similar justifications. However, scholars of Islamic jurisprudence (*Zhahir*) argue that the prohibition on usury *fadhli* applies only to the six items mentioned in the hadith (*ta'abbudi*). The book *Bidayatul Mujtahid* explains that, according to this opinion, the prohibition on usury *fadhli* applies only to these six types of items.

The majority of scholars who believe in the existence of *illat* (*riba*) have different views regarding the specific *illat* of gold. The Hanafi school of thought holds that the *illat* of *riba* in gold lies in its measurable weight. This is explained in the book of *Hasyiah Ibn Abidin*, which states that goods measured by weight, such as gold and silver, cannot be traded for the same type regardless of their weight. Therefore, the sale of gold for gold or silver for silver must follow the same weight rule, and is invalid if it is done by volume. Based on this view, fiat money, which is not measured by weight, does not fall into the category of *riba*.

Illi Ats-Tsaman raises different views among scholars regarding the law of usury on currency. Scholars who consider *ats-tsaman* as *illat* are divided into two main views: *Ats-Tsamaniyyah Al-Ghalibah* (Dominant Currency). The Shafi'i school, through Imam Al-Hishni in the book *Kifayatul Akhyar*, argues that *fulus* (money other than gold and silver) does not have *illat tsamaniyyah ghalibah*, namely the nature of being a dominant currency. Therefore, coins other than gold and silver cannot be equated with gold or silver in law, so they are not subject to usury. In the book *Kifayatul Akhyar*, it is explained that usury does not apply to *fulus*, iron, copper, tin, or other metals because they do not meet the criteria of a dominant medium of exchange. *Muthlaq Ats-Tsaman* (General Currency Criteria), the Maliki school of thought, and the majority of contemporary scholars hold that this *illat* is *muta'addiyah* (extendible) and applies to fiat money. Imam Malik in *Al-Mudawwanah* stated that *fulus*, although not gold or silver, can, in terms of quantity, be treated like dirhams or dinars. *The*

Islamic Fiqh Council (OIC) also ruled that paper money is subject to the same rulings as gold and silver, including the obligation to pay zakat and the prohibition on usury. However, Imam Malik considered usury on fulus as makrooh, not haram, as it is for dinars and dirhams. Contemporary scholars generally view usury on fiat money as haram, given its role as a substitute for gold and silver, the primary medium of exchange.

DSN-MUI Fatwa No. 77/DSN-MUI/V/2010 permits the non-cash sale and purchase of gold on the basis that gold now functions more as a commodity than a primary medium of exchange. At the same time, paper money is considered a usurious item subject to illat tsamaniyah. This fatwa refers to the opinion of Imam Ibn Qayyim Al-Jauziyyah, who stated that gold that has been processed into jewelry (shan'ah) is no longer considered currency, but rather as merchandise. In *Ilamul Muwaqqi'in*, Ibn Qayyim explains that processed jewelry is not subject to zakat and that riba does not apply between jewelry and currency, as it does between currency and merchandise. This opinion aligns with the principle of fiqh, which holds that the law revolves around the presence or absence of illat. Therefore, because gold is considered a commodity in a particular form, the illat riba attached to gold as a primary medium of exchange is considered to have disappeared or is no longer dominant in the context of modern trade.

Based on the analysis of Usul Fiqh (Islamic jurisprudence) and the views of Islamic scholars, buying and selling gold on credit with fiat money may be permitted, supported by several arguments. The Zahiri school limits the object of usury to only six specific types of goods. The Hanafi school bases its justification for usury on the wazan (scale). In contrast, the Shafi'i school considers the justification for gold to be exclusive and does not apply directly to fiat money. The Maliki school recognizes the justification for usury in fiat money, but condemns usury in fulus as makrooh. Contemporary scholars and the DSN-MUI Fatwa emphasize the shift in gold's function from a commodity to a medium of exchange, thereby altering its justification for usury. Gold jewelry or gold treated as a commodity is considered to have lost its justification for usury. Thus, the shift in gold's function from a dominant medium of exchange to a commodity, as well as its shift to fiat money, are the primary considerations in permitting the non-cash buying and selling of gold in the contemporary era.

Gold as an Investment Instrument

Gold has long been regarded as a valuable investment instrument due to its enduring qualities as a store of value and its effectiveness in managing risk. In an investment context, gold offers unique advantages, particularly as a hedge against

inflation and market volatility. This has led to its widespread use in various forms, including physical gold, digital gold, and financial instruments such as gold futures and ETFs. One of the key reasons investors turn to gold is its role as a store of value. Unlike fiat currencies, gold tends to retain its purchasing power over time. This characteristic makes it an attractive option for long-term investment, particularly in times of economic instability. Historically, gold has demonstrated its resilience by maintaining its value during periods of inflation and currency devaluation (Hortai, 2016; Pratiwi et al., 2019).

Gold also acts as a hedge against various financial risks. For example, during the European sovereign debt crisis, gold prices rose as investors sought safe-haven assets, signaling its role in protecting portfolios during market downturns. However, as noted by Gomis-Porqueras et al. (2022), gold's effectiveness as a haven can fluctuate depending on market conditions. During the 2020 COVID-19 crisis, for example, gold did not behave as strongly as expected, highlighting the complexity of its role in risk management. Additionally, gold offers a portfolio of diversified benefits. In investment portfolios, gold provides balance by reducing exposure to market risks associated with stocks or bonds. As a non-correlated asset, it can enhance the stability of a mixed portfolio (Reboredo & Rivera-Castro, 2014; Wilson et al., 2021).

Investors can choose from several methods of investing in gold, each offering unique advantages. Physical gold—such as coins, bars, and jewelry—has been a traditional form of investment. Tangible, physical gold can entail higher transaction costs and storage challenges (Sujit et al., 2025). Alternatively, digital gold platforms and gold-backed ETFs offer more convenient and liquid investment options. These digital solutions allow investors to gain exposure to gold without physically holding the metal, often at lower fees and greater accessibility (Garg, 2020). Finally, gold futures and ETFs enable investors to speculate on gold prices or hedge against market fluctuations without owning the asset directly. These instruments can be helpful for risk management, but they also carry the risk of significant losses if market conditions do not align with expectations (Stasytyté et al., 2024).

Despite its benefits, investing in gold is not without risks. The price of gold can be volatile in the short term, influenced by geopolitical tensions, changes in market sentiment, and global economic crises (Bhatia, 2023). Moreover, although gold is considered a relatively low-risk asset compared to equities, it is still subject to market forces and investor behavior, which can lead to sudden price fluctuations (Megits et al., 2014). Behavioral factors also play a significant role in gold investment decisions. During periods of fear or panic, investors may sell their gold holdings in favor of other perceived safe assets, exacerbating market volatility (Apanovych et al., 2023).

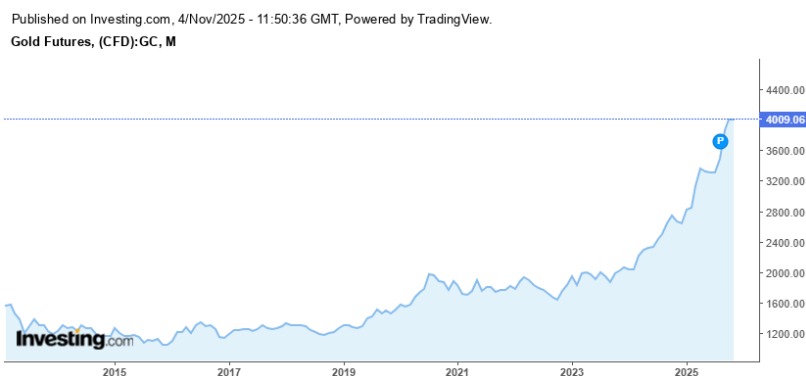
RESEARCH METHOD

This study uses a quantitative approach to analyze the risks and returns of BSI's Gold Installment product. The research method involves a case study of BSI's Gold Installment product, with descriptive analysis to illustrate product characteristics and market behavior, and quantitative analysis to calculate returns and risks based on historical gold price data. The quantitative approach was chosen to provide objective measurements of Islamic gold investments' performance, enabling a clearer understanding of potential returns and risks. The descriptive analysis will provide insight into the financing and gold installment mechanisms offered by BSI, while calculating returns and risks using historical data will identify gold price fluctuations that affect product performance. Gold price data for 10 years was obtained from the websites <https://www.logammulia.com/> and <https://id.investing.com>, which are highly credible sources. Meanwhile, the gold installment simulation was obtained directly from the marketing department of Bank Syariah Indonesia. Data analysis was conducted by comparing the annual gold price margin and potential profit.

RESULTS

Gold price increase

The world gold price is calculated based on the price per troy ounce set by institutions such as the London Bullion Market Association (LBMA). The standard unit for gold pricing is the US dollar per troy ounce (USD/toz), with prices published twice daily, at 10:30 and 15:30 London time. The world gold price is determined by five prominent members of the London market through a pricing process that then serves as a benchmark for global prices. Factors influencing this price include global supply and demand, which can fluctuate and are measured in troy ounces. To obtain the price of gold in grams or kilograms, the price per troy ounce is converted using standard conversion rates.



Source: <https://id.investing.com/>

Figure 1. World gold prices

In this case, one troy ounce is approximately 31.1035 grams. The currency used to determine the global gold price is the US dollar (USD). Global gold price charts are typically displayed in USD/troy oz format, indicating the price in US dollars per troy ounce. According to data from Investing.com, the price of 1 troy ounce on October 1, 2015, was USD 1,065.30, and on October 1, 2025, it will be USD 4,003.67. This means the global gold price has increased by 275.83% over 10 years, or 27.58% annually.



Source: <https://www.logammulia.com/>

Figure 2. ANTAM gold price

Over the past 10 years, gold prices in Indonesia have shown a significant upward trend. On November 4, 2015, the price of ANTAM gold was recorded at Rp 570,000, while on November 4, 2025, the price reached Rp 2,256,000. This means gold has increased by 396% over the 10 years, or approximately 40% per year on average.

BSI Gold Installment Products

This study reveals significant differences between the gold installment product offered through the BYOND application by Bank Syariah Indonesia (BSI) and the gold installment product obtained directly through BSI bank marketing. Based on the findings, the gold installment menu in the BYOND application will not be available as of November 3, 2025. This indicates that although the BYOND application offers customers easy access to various services, some features, such as gold installments, are not yet accessible or operational. Meanwhile, the gold installment product offered by BSI marketing outside the application remains accessible and usable by customers, offering various installment financing options that are still in accordance with Sharia principles. This difference is important because it can affect the customer experience in using BSI's digital services and reflects the challenges in implementing application-based services in the world of Islamic banking. This study provides insight

into the limitations customers may face when using digital technology for Sharia investment via the BSI platform.

Table 1 . BSI gold installment simulation, November 3, 2025

LM Weight (Gram)	Gold Buying Price	Financing	Monthly Installments	total installment
10	Rp. 22,269,400	Rp. 222,69,400	Rp 1,952,659 / 12 Months	Rp. 23,431,908
			Rp 1,022,488 /24 Months	Rp. 24,539,712
			Rp. 713,355 / 36 Months	Rp. 25,680,780
			Rp. 559,477 / 48 Months	Rp. 26,854,896
			Rp. 467,699 / 60 Months	Rp. 28,061,940

Gold Installment Products Offer gold purchases with fixed installments for various weights of Precious Metal (LM) products (10 grams, 25 grams, 50 grams, and 60 grams). The gold purchase price in the table is based on the desired weight. Installment simulations on November 3, 2025, for each weight of gold with different installment periods, ranging from 12 to 60 months. For example, for 10 grams of gold, monthly installments range from IDR 1,952,659 over 12 months to IDR 467,699 over 60 months. There is a 0% down payment offer with fixed installments over 5 years, making it easier for customers to buy gold without paying a down payment.

Investing in gold has long been considered a safe option, especially amidst global economic uncertainty. BSI Cical Emas is a financing product from Bank Syariah Indonesia (BSI) that allows customers to own precious metals (Metang Emas) in installments. This program offers customers the convenience of purchasing gold at a price agreed upon at the start of the contract, thereby avoiding concerns about future gold price fluctuations. The main advantage of this product is the fixed installment plan, which facilitates financial planning without being affected by frequent gold price fluctuations.

The BSI Gold Installment Program utilizes the Murabahah contract, a sale-and-purchase agreement with a clear profit margin agreed upon between the bank and the customer at the outset of the transaction. With this product, customers can obtain financing of up to IDR 150 million, with a minimum down payment of 20% of the purchase price of the gold. The financing term offered is flexible, ranging from 1 to 5 years, allowing customers to adjust installments to their financial capabilities. The administration fee for each financing is 1% of the amount financed, with required documents including an ID card and Taxpayer Identification Number (NPWP) (for financing over IDR 50 million). One of the advantages of this product is the ease of

meeting the required documentation requirements, as well as the fast, straightforward process.

The gold used in this program is Precious Metal produced by PT Antam, Pegadaian Galeri 24, and PT Hartadinata Abadi, which are widely recognized as trusted gold suppliers. Furthermore, this product offers convenience for customers who want to use gold as a long-term investment, such as for retirement funds or future business capital. Precious Metal Gold also has the characteristics of being an easily liquidated asset, with high liquidity, and a price that tends to increase year after year, making it a relatively low-risk investment option. Another advantage of investing in gold is its "zero inflation" nature, meaning its price is not affected by inflation as fiat currencies are.

In addition to financial benefits, BSI Cical Emas also offers optional life insurance protection. Another advantage of this product is that the purchased gold will be safely stored by both the bank and the gold supplier, so customers do not need to worry about physical storage. This product is also ideal for those looking to prepare for retirement, as gold can serve as a hedging asset, helping preserve the value of customers' wealth in the future. Another advantage is that it can be passed down to family members as a profitable long-term investment.

DISCUSSION

Research by Wang et al. (2021) found that gold has proven useful as a portfolio hedge and as an inflation hedge. This means that in times of uncertainty, gold investments have the potential to rise due to increased demand as a hedging asset. Rising geopolitical risk increases the likelihood of a gold price bubble forming, which implies that in periods of increasing geopolitical turmoil, gold prices have the potential to rise significantly (Zhou & Liang, 2025). Gold re-emerges as a safe-haven asset during times of economic uncertainty or weakening stock markets, so from an investor perspective, the potential for upside arises when negative sentiment prevails (Ren et al., 2025). According to Maysarah et al. (2025), fluctuating gold prices have a positive and significant impact on customers' decisions to choose gold installment products. Installment models based on gold prices allow for lower initial installments compared to interest-based financing. However, total installments can increase as gold prices rise (Wahyunitasari et al., 2024). Promotional strategies (personal selling, advertising, PR, direct sales) have been proven to increase sales of gold installment products and customer education, although awareness remains a major obstacle (Maysarah et al., 2025). Gold installments offer investment benefits because they allow customers to purchase gold in the future at a pre-agreed price, plus the required installments. However, the question arises: are Gold Installments

profitable compared to the potential returns without accounting for other factors such as inflation, price fluctuations, and other risks? The following is a calculation of the potential profit from investing in Gold Installments based on the weight of 10 grams of Precious Metal (LM) and the purchase price of the gold at various installment payment terms. This calculation excludes physical printing costs, the difference between the selling price and the purchase price of the gold, and other costs such as stamp duty and sales tax.

Table 2. Profit Potential

LM Weight (Gram)	Gold Buying Price	time	total installment	Margin	Profit Potential (40%) / year
10	Rp. 22,269,400	1 year	Rp. 23,431,908	Rp. 1,162,508	Rp. 8,907,760
		2 years	Rp. 24,539,712	Rp. 2,270,312	Rp. 17,815,520
		3 years	Rp. 25,680,780	Rp. 3,411,380	Rp. 26,723,280
		4 years	Rp. 26,854,896	Rp. 4,585,496	Rp. 35,631,040
		5 years	Rp. 28,061,940	Rp. 5,792,540	Rp. 44,538,800

The table above shows that the longer the installment period, the higher the potential profit. This potential profit is calculated using an estimated annual profit of 40%. However, it is important to note that this calculation is still an estimate, as the selling price of gold may differ from the purchase price, and additional costs, such as stamp duty and sales tax, are omitted. Importantly, the 40% increase is not a fixed value.

Several gold price forecasting models used in research combine time-series models with intelligent computing. Autoregressive moving-average (ARMA) and mixed autoregressive (AR) and moving-average (MA) models are popular due to their low prediction errors, despite their disregard for other important information (Gulerce & Unal, 2017; Xu, 2017). Furthermore, vector autoregression (VAR) and vector error correction (VECM) models incorporate additional information (Baumeister & Kilian, 2012). ARCH and GARCH models are better at predicting gold price volatility, though GARCH struggles to capture returns that influence price fluctuations (Lin et al., 2020). However, combined models are superior to single models in addressing uncertainty and deciphering time series data (Xu, 2020). Research also shows that intelligent computing models, such as artificial neural networks (ANNs), are more effective at forecasting gold prices because they can handle irregular, highly noisy data (Adebisi et al., 2014; Blaschke et al., 1997). Furthermore, a hybrid ANN-GARCH model is more accurate in predicting gold price

fluctuations (Kristjanpoller & Minutolo, 2015). The use of the EMD (Empirical Mode Decomposition) method in conjunction with ANN has also been shown to be more effective in forecasting gold prices than a single ANN model (Wu & Duan, 2017).

CONCLUSION

The results analysis shows that the product Installments BSI Gold offers attractive benefits and a relatively low risk compared to other investment instruments. However, the decision to invest must mitigate the risk associated with the contract. Installments BSI Gold, though they offer big profits, have limitations in terms of suitability with the principle of Sharia, considering only a small part of scholars who consider contract instalment gold may. Because of that, although the product can become an attractive choice, customers must consider the suitability of the contract with a view to Sharia as well as the long-term investment objective.

Customers considering BSI Gold Installments as a long-term investment should assess whether the agreement complies with Sharia principles, as only some Islamic scholars consider this product permissible. Further research should compare pawned gold investment products with gold installments through the BYOND app, focusing on risk analysis, returns, and Sharia compliance.

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