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Dr M: M'sia needs proper rule for gold trading, investment

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KUALA LUMPUR: Malaysia needs a proper regulation to govern gold trading and investment, said former prime minister Tun Dr Mahathir Mohamad.

Commenting on the recent controversial gold investment schemes involving several companies, he said there was no proper regulations for such trading and investment.

"I recommend gold as a kind of reserve or saving, better than money, as it is more likely to appreciate.

"I do not know what's the issue with this Geneva company, but I think it should be

investigated to find out what did it do wrong.

"On the other hand, people (the investors) also deserve fair treatment because if you totally stop the transactions, their money will get stuck," he told reporters after delivering a keynote address at the 3rd World Riba Conference.

Last month, Geneva Malaysia Sdn Bhd, a gold trading company, alongside a few other companies of similar business nature were raided by Bank Negara, the police, Domestic Trade, Cooperatives and Consumerism Ministry and the Companies Commission of Malaysia.

Assets and accounts were seized and frozen

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Warm welcome: Organising chairman Shirazdeen Adam Shah (left) welcoming Dr Mahathir to the conference. Conference chairman Prof Ahamed Kameel Mydin Meera is next to Dr Mahathir.

Dr M: Riba dangerous as there is no fixed return

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to facilitate investigations into suspected offences, including illegal deposit-taking and money laundering.

It was reported that a total of 142.7kg in gold and monies (in bank accounts and cash) amounting to RM101.9mil were seized from Geneva Malaysia, Pageantry Gold Bhd, Caesar Gold Sdn Bhd and Worldwide Far East Bhd.

On the issue of *riba* or interest and its link to continued global recession,

hyperinflation as well as social unrest, Dr Mahathir said *riba* was dangerous as there was no fixed return and the bank itself had to participate in the business.

"The (Islamic) banks know it must be in the business that gave the return where it wouldn't just lend money just because for the sake of increasing its assets. They must ensure that the survival and the profitability of the business," he said.

Conference chairman Prof Dr Ahamed Kameel Mydin Meera said

it was more important now than before to discuss the issue of *riba* amid signals of another financial crisis brewing.

He said despite constant reports on the economic recovery, many economists believed that the world was up for another crisis as unemployment rates remained a prickly issue in most developed countries.

"The discourse on *riba* is even more pertinent in addressing entrenched financial practices and their damaging effects on day-to-day issues such as the rising cost of

living and home affordability.

"It is because of *riba* or interest that our future generation will be enslaved by debts," he said.

Ahamed is also head of department of finance, faculty of economics and management sciences at the International Islamic University Malaysia.

The two-day conference starting yesterday was organised by Thinkers Trend Resources with the theme "The Multifaceted Global Crisis on Riba: Resilience, Response and Reform."