

Gold Consignment In Sharia Economic Law And Its Implementation In Modern Business

Lasma Aditya^{1*} Danang Wahyu Muhammad²

^{1,2}University of Muhammadiyah Yogyakarta, Indonesia

Corresponding author:

Email: lasma@umy.ac.id

Abstract.

Gold consignment is one of the fastest-growing business models in the precious metals and jewelry trading industry, both through physical stores and digital platforms. Gold as a *ribawi* commodity has special characteristics that require caution in contract management and transaction mechanisms to remain in accordance with the legal principles of sharia economics. This article aims to analyze the concept of gold consignment from the perspective of *fiqh muamalah*, identify relevant contract structures, and examine its implementation in modern business practices and its legal challenges. This research uses a qualitative method with a normative-descriptive approach, through a literature review of classical and contemporary *fiqh* sources, fatwas of the National Sharia Council-Indonesian Ulema Council (DSN-MUI), as well as regulations related to trade and consumer protection. The analysis was carried out by examining the suitability of gold consignment practices with basic sharia principles such as justice, trust, transparency, and the prohibition of *riba* and *gharar*. The results of the study show that the practice of gold consignment is basically permissible in sharia economic law, as long as it is prepared with a clear and non-contradictory contract. The most relevant contract structure is the combination of *wadi'ah* (deposit) and *wakalah bi al-bay'* (representative to sell) with *ujrah* in exchange for services. However, implementation in the field still faces various risks, such as unclear contracts, fluctuations in gold prices, and weak consumer protection, especially in digital-based transactions. Therefore, it is necessary to strengthen governance, standardize contracts, and improve sharia literacy to ensure that gold consignment practices run ethically, fairly, and sustainably.

Keywords: gold consignment, sharia economic law, *wakalah*, *wadi'ah*, and business.

I. INTRODUCTION

The development of the gold industry in recent decades has shown significant dynamics, as public awareness of the importance of hedging instruments has increased. (Arifiansyah, 2024) and asset diversification. (Anggraeni et al., 2020) Gold is no longer seen solely as jewelry, but as an investment commodity that has a stable value and is relatively resistant to inflation and global economic uncertainty. This condition encourages the emergence of various business model innovations in gold distribution and trading, one of which is through the consignment mechanism. (Palasari & Yuliartini, 2024)

Gold consignment is a business scheme in which the owner of gold hands over the goods to another party for sale, provided that the ownership rights remain with the owner until a sale transaction occurs. This model is widely used by producers, investors, and capital owners to expand market reach without having to bear high operational and storage costs. On the other hand, the consignee receives benefits in the form of commissions or service rewards for sales activities carried out. Economically, consignment is seen as an efficient and flexible mechanism in the modern distribution system.

However, from the perspective of sharia economic law, the practice of gold consignment cannot be separated from the characteristics of gold as a commodity of *ribawi*. In the *fiqh* of *muamalah*, gold is included in the category *al-amwāl al-ribawiyyah* which have special provisions in exchange, pricing, and delivery mechanisms. Any transaction involving gold must meet the principle of clarity (*Bayān*), justice (*'adl*), and free from the element of usury, *Gharar*, and *Sāo Paulo*. Therefore, the implementation of gold consignment requires the formulation of an appropriate contract and does not contradict the principles of sharia economics (Haikal & Efendi, 2024).

Complexity is increasing as the economy develops and the use of e-commerce platforms in gold trading develops. Consignments, which were previously carried out conventionally, are now transforming into digital systems with the support of information technology, electronic record-keeping, and online transactions. These changes present opportunities for efficiency and market expansion, but also raise new legal issues, such as the validity of electronic contracts, data and consumer protection, and legal proof

mechanisms in the event of disputes. Without adequate regulation and governance, digital-based gold consignment practices have the potential to create legal uncertainty and violations of sharia principles.

In addition, in practice in the field, gold consignment is often carried out by mixing unclear contracts, between deposits, buying and selling, and profit sharing. This ambiguity has the potential to harm one party, especially the gold owner, and opens up space for *moral hazard*, the risk of unethical behavior or deviation of responsibility by one party in the transaction because the party feels safe from the consequences of losses, such as price manipulation, misuse of entrusted goods, or unilateral risk transfer. From the point of view of sharia economic law, this condition is contrary to the principles of trust and justice which are the main foundation in muamalah transactions.

Based on this description, the study of gold consignment becomes important and relevant, both from a theoretical and practical perspective. This article seeks to comprehensively examine the concept of gold consignment from the perspective of sharia economic law, by examining the basics of muamalah fiqh that underlie it and identifying the most appropriate contract structure. In addition, this article also analyzes the implementation of gold consignment in modern business practices, including its legal challenges and risks, in order to formulate a safer, more transparent, and in accordance with sharia values.

Problem Formulation

How is the implementation of gold consignment in modern business practices, as well as the problems that arise in the implementation of contracts, risk management, and profit sharing reviewed from the legal principles of sharia economics?

II. RESEARCH METHODS

This study uses a qualitative approach with a normative-descriptive character, which aims to analyze gold consignment from the perspective of sharia economic law and examine its implementation in modern business practices. This approach was chosen because the focus of the research lies in the study of legal norms, sharia principles, and the concept of contract in muamalah fiqh, not on quantitative measurement or statistical hypothesis testing.

Types and Approaches to Research

This research is a *normative legal research* that places law as a norm or rule. The analysis is carried out on the principles of sharia economic law that govern muamalah transactions, especially those related to trust, representation, and sale and purchase contracts involving gold as a usury commodity. In addition, this study also uses a *conceptual approach* to examine the concept of consignment in business practice as well as a limited comparative approach between fiqh theory and the reality of practice in the field.

Data Source

The data sources used in this study consisted of:

1. Primary legal materials include the Qur'an and Hadith related to muamalah transactions, fatwas of the National Sharia Council-Indonesian Ulema Council (DSN-MUI), as well as laws and regulations relevant to gold trading and consumer protection.
2. Secondary legal materials are in the form of classical and contemporary muamalah fiqh books, sharia economic law textbooks, scientific journal articles, and the results of previous research that discuss consignments, wakalah contracts, wadi'ah, and gold transactions.
3. Tertiary legal materials, in the form of legal dictionaries, encyclopedias of Islamic economics, and other supporting sources to clarify concepts and terms.

Data Collection Techniques

Data was collected through *library research* by systematically searching relevant literature. In addition, a conceptual mapping of gold consignment practices that are developing in modern business, both in physical stores, gold boutiques, and digital platforms, was carried out based on reports, publications, and documented studies.

Data Analysis Techniques

Data analysis is carried out qualitatively normatively with the following stages:

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Identify the basic principles of sharia economic law relevant to gold consignment, Examine the contract structure used in the practice of gold consignment and assess its conformity with sharia principles, Analyze potential legal problems and sharia risks in the implementation of gold consignment in modern business, Develop a conceptual model of gold consignment in accordance with sharia economic law.

The results of the analysis are presented in a descriptive-analytical manner to provide a comprehensive picture of gold consignment within the framework of sharia economic law.

III. DISCUSSION

The results of the study show that gold consignment has become a common practice used in the gold and jewelry trade, both on a small and medium to large scale. In practice, the owner of the gold (*consignor*) hands over the gold to another party (*consignee*) to be marketed and sold to the end consumer. Ownership of the gold remains with the owner until a sales transaction occurs, while the consignee receives a reward in the form of a commission or fee based on the initial agreement in accordance with the Qur'anic Verse, Allah Subhanahu wa Ta'ala said:

The Messenger of Allaah (peace and blessings of Allaah be upon him) said: "O Messenger of Allaah (peace and blessings of Allaah be upon him) and I am the Messenger of Allaah (peace and blessings of Allaah be upon him) and I am the Messenger of Allaah (peace and blessings of Allaah be upon him).

O you who have believed, do not eat your neighbor's property in an unrighteous way, except in the form of a business on the basis of mutual will among you. Do not kill yourselves. Indeed, Allah is Most Merciful to you.

An-Nisā' [4]:29.(RI, 2022)

Hadith of the Prophet about buying and selling:

The Prophet (peace and blessings of Allaah be upon him) was asked: "O Messenger of Allaah (peace and blessings of Allaah be upon him) "?(

"The Prophet (saw) was once asked; What is the best (ideal) business (job/profession)?, the Prophet (saw) said; a person's work (effort) with his hands and every good buying and selling." (HR. Bazzar and al-Hakim)

Selling by consent– Narrated by al-Bayhaqi

"Indeed, buying and selling (should) be based on mutual pleasure (mutual pleasure)." (HR. Al-Baihaqi)

This consignment model is widely applied by gold producers, jewelry artisans, individual investors, and capital owners who want to minimize storage risks and operational costs. In the latest developments, gold consignment is also implemented through digital platforms and marketplaces that provide online sales deposit facilities, with the support of electronic recording systems and non-cash payments. Legal Basis of Gold Consignment According to DSN-MUI Fatwa

Legal Basis of Gold Consignment According to DSN-MUI Fatwa

1. DSN-MUI Fatwa on Buying and Selling Gold

DSN-MUI through Fatwa Number 77/DSN-MUI/V/2010 concerning Buying and Selling Gold Cashless emphasized that gold can be traded in cashless on the condition that gold is not used as a medium of exchange (money) and the contract is clear and does not contain usury.

2. DSN-MUI Fatwa on Wakalah and Ijarah

The practice of gold consignment is substantially closer to the wakalah bil ujah contract, as stipulated in Fatwa DSN-MUI Number 10/DSN-MUI/IV/2000 concerning Wakalah(Istiqomah, 2022) and DSN-MUI Fatwa Number 09/DSN-MUI/IV/2000 concerning Ijarah. In this scheme, the gold owner gives the seller power to sell the gold, and the seller is entitled to receive ujah (commission) agreed upon in advance.

This research found that gold as a consignment object has different legal characteristics from merchandise in general. In fiqh muamalah, gold is included in the category of ribawi goods(Article Hardiarti et al., 2024) , which demands clarity of weight, grade, quality, and value. Therefore, in gold consignment, the specifications of the goods must be stated in detail from the beginning to avoid the elements *Gharar*.

In addition, fluctuations in the price of gold in the market also affect consignment practices. Significant price changes can cause differences in interests between the gold owner and the seller, especially regarding the timing of the sale and the determination of the selling price. This condition requires a clear regulation of the mechanism of pricing and profit sharing.

Based on the analysis of fiqh, the results of the study show that gold consignment is not appropriately categorized as a purchase and sale contract from the beginning, because there has been no transfer of ownership. The most relevant contract structure is a combination of:

1. The *wadi'ah contract*, at the time the gold is entrusted to the recipient of the deposit.
"São Paulo *Düsseldorf* simply it is the custody of property or other things from one person to another"(Saepudin et al., 2022).
2. *Akad wakalah bi al-bay'*, when the recipient is authorized to sell gold to a third party.
The above contract is a combination of 2 terms of contract, "contract *Wakalah* is a transaction where a person appoints another person to replace him in doing his work/affairs while he is still alive"(Rizal, 2022). While *Bi Al-Bay* is Buying and selling. So there is a part in the consignment process is an agreement between the two parties that authorizes the sale in this case the gold that is entrusted.
3. *Ujrah*, in exchange for services for sales activities carried out.
In the consignment agreement, there are also benefits or service rewards with a certain nominal, which should be known by both parties.

This structure confirms that the depository party acts as a representative, not a buyer of gold, so it does not bear the risk of ownership unless there is negligence or breach of trust.

The results of the study identified several patterns of implementation of gold consignment in modern business, including:

1. Consignment in conventional gold stores with a fixed commission or percentage system.
2. Consignment through a boutique or gold gallery with a product curation system.
3. Digital-based consignment through gold marketplaces and trading applications.
4. Integration of consignment with additional services such as buyback and installments.

Although innovative, some of these patterns have not fully met sharia principles because there are still unclear contracts, mixing of sale and deposit schemes, and weak contractual documentation.

This study also found a number of sharia law problems in the practice of gold consignment, including:

1. Unclear status of the contract and responsibilities of the parties;
2. Risk of price and information manipulation by the seller;
3. Uncertainty of liability for damage or loss of gold;
4. Potential speculation due to fluctuations in gold prices;
5. Lack of consumer protection in digital-based transactions.

These findings show the need to strengthen regulations, standardize contracts, and increase sharia awareness in gold consignment practices.

A. Gold Consignment in the Perspective of Sharia Economic Law

Based on the results of the research, gold consignment is basically acceptable within the framework of sharia economic law, as long as it meets the basic principles of muamalah. In fiqh, the general rule states that *Al-Aṣl fī al-Mu'āmalāt al-ibāḥah* (The original law of muamalah is permissible), unless there is evidence that prohibits it.(Awal Rifai Wahab, 2022) Thus, gold consignment is not automatically prohibited, but must be tested for conformity with sharia principles, especially since gold is a usury item.

Gold consignment cannot be qualified as a sale and purchase contract from the beginning, because there has been no transfer of ownership. The gold to be sold is still in the possession of the seller with the existence of a consignment agreement, Therefore, the most appropriate contract structure is *wadi'ah* as a deposit contract, accompanied by *wakalah bi al-bay'* as a form of delegation of power to sell. Rewards in the form of commissions or fees are categorized as *ujrah*, which is allowed as long as it is clearly agreed and is not exploitative. This structure is in line with the principles of justice and trust in sharia economic law.

B. Clarity of the Contract as the Main Condition of Validity

One of the important findings in this study is the weak clarity of contracts in the practice of gold consignment in the field. Some of the findings in the consignment agreement letter are not mentioned how much they are nominal. From a sharia perspective, the clarity of the contract is a fundamental requirement to avoid gharar. The mixing of entrustment, buying and selling, and profit-sharing contracts without strict restrictions has the potential to cause legal uncertainty and harm one of the parties.

The clarity of the contract includes the determination of the rights and obligations of the parties, the pricing mechanism, the amount of commission, the period of consignment, and responsibility for the risk of damage or loss of gold. Without a clear arrangement, gold consignment has the potential to be contrary to the principle of *al-ghunm bi al-ghurm* (profit must come with risk)(Ghazali et al., 2024), which is one of the important principles in muamalah.

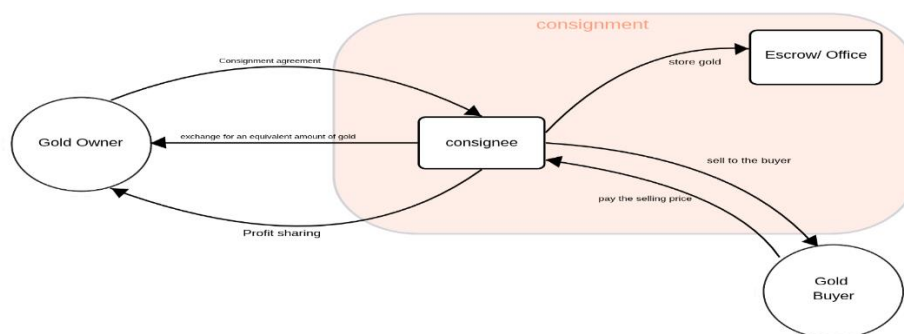
C. Risks of Riba and Gharar in Gold Consignment

As a ribawi commodity, gold has special provisions that distinguish it from other commodities. In gold consignment, the potential for riba can arise if there is an exchange of gold with gold that is not equivalent or not cash. In addition, gharar can arise due to unclear gold specifications, price fluctuations that are not agreed upon by the mechanism, or uncertainty of the selling time.

The results of the study show that some business actors do not fully understand the implications of fiqh on the character of gold as usury goods. As a result, consignment practices have the potential to contain speculative elements, especially when the seller delays sales with the aim of taking advantage of price increases. From a sharia perspective, this kind of practice must be controlled through clear agreements and adequate supervision mechanisms.

D. Implementation Challenges in Modern and Digital Business

The implementation of gold consignment in modern business, especially digital-based, presents new challenges in the perspective of sharia economic law. Electronic contracts, digital payment systems, and transaction data storage require legal clarity in order to be accounted for sharia and juridically. The lack of written contract documentation and weak consumer protection are problems that are often found in online practices. Here is the flowchart:



The flowchart above illustrates the owner of gold (the consignee) signing a consignment and sale contract with the seller (consignment, for example Pegadaian). Physical gold is stored (insured) by consignment. When a buyer occurs, the consignee sells the gold, receives money, then replaces the owner's gold with the same weight/grade (new handover) and gives a share of the sales profit to the owner.

The following is a table of business actors with a gold consignment business in Indonesia.

Perpetrators	Consignment Business Model	Key Regulations	Shariah Issues
Pegadaian/Galeri24 (Non-Bank LJK)	- Physical gold consignment (deposit-sale at Galeri 24 outlet) - Gold savings (non-cash deposits) - Jewelry buy-back (sharia gold pawn)	- POJK 17/2024 (Bulion) for Sharia Pawnshops - SEOJK 51/2017, POJK 31/2016 (Sharia Pawn LJK) - OJK (financing company) license - SNI Gold (obligation) PMK 51/52/2025 consignment	- Seen as Wakalah bil-ujrah (halal) if the contract is clear - Gold remains the property of the concessionaire until it is sold (according to the conditions)

Perpetrators	Consignment Business Model	Key Regulations	Shariah Issues
		tax	Fee/profit ratio must be fair (not usury/maisir)
Precious Metals Company (Antam)	- Sales of gold bars (LM Antam) - Cash and non-cash buying and selling (proforma orders) - <i>Buy-back service</i> through official outlets	- Law No.7/2014 (Trade) - IUP/trade license (mining company) - SNI and LBMA certification - Permendag/Bappebti (digital gold) - PMK 51/52/2025 tax for gold traders	- Cash/non-cash transactions are allowed (Fatwa MUI 77/2010) - If selling in advance (prospective), shariah requires that goods are available and there is a handover mechanism
Jewelry Retail (Gold Shop)	- Sell jewelry (gold & diamonds) - Financing/murabahah & gold arisan	- Government Regulation 24/1997 concerning Pawn (if gold pawn) - OSS/KBLI 47735 (retail trade license) - SNI 8880/15093 for gold jewelry - PP/Permendag tax on jewelry value added	- Transactions must be cash upon submission (to be valid) - <i>Buy-back</i> may be associated with murabahah (buyback – must be in accordance with the cash price provisions)
Marketplace/Fintech (Indogold, Tamasia, Dapps)	- Digital savings/metals (digital chips) Online buying and selling (physical + non-cash) <i>The concept of depositing rare gold</i>, more ordinary buying and selling	- Bappebti (purchase of digital gold via exchange) Permendag 119/2018 (digital gold physical market) OSS permit, API if physical gold imports PMK 51/52/2025 digital gold trading tax	- Physical gold must exist as a backing (Bappebti regulation) - Sharia buying and selling agreements must hand over gold (to avoid usury)
Bank (Sharia Bank /Conventional)	- Savings/precious metals (sometimes) - Gold financing (murabahah) - Sharia deposits (Gold deposits) are rarely labeled consignments	- POJK 17/2024 (LJK bullion permit) - Banking Law (BI-OJK permit) - Sharia Banking: DSN fatwa & SEOJK related to Sharia gold products - Financial accounting standards (bullion accounting)	- (golden murabahah) permissible by sharia - If you open a deposit product: wakalah contract can be used, make sure it does not contain riba/gharar

From a sharia perspective, this challenge requires the standardization of gold consignment contracts that are adaptive to technological developments, without ignoring the basic principles of muamalah. The use of written contracts, transparent digital recording, and audit and supervision mechanisms are important instruments to maintain trust and fairness in transactions.

E. Normative and Practical Implications

This discussion shows that gold consignment does not only require a business approach, but also a sharia legal and ethical approach. Normatively, a more firm and comprehensive contract guideline is needed so that the practice of gold consignment does not deviate from sharia principles. Practically, business actors are required to improve the literacy of sharia economic law and implement good governance at every stage of transactions.

Thus, gold consignment can be a business instrument that is not only economically efficient, but also fair and sustainable in the perspective of sharia economic law.

V. CONCLUSION

Based on the results of research and discussion, it can be concluded that gold consignment is a business model that is in principle allowed in sharia economic law, as long as it is carried out with a clear, transparent contract structure, and does not contradict the principles of muamalah. The character of gold as a ribawi commodity requires special arrangements at each stage of the transaction, so that gold consignment cannot be equated with the consignment of merchandise in general.

The most appropriate contract structure in the practice of gold consignment is a combination of the wadi'ah contract as a form of deposit, the *wakalah bi al-bay'* contract as a delegation of authority to sell, and ujah as a reward for services agreed upon at the beginning. The clarity of this contract is the main requirement to prevent the occurrence of elements of gharar, usury, and injustice between the parties. In addition, the principles of trust and justice must be maintained through strict arrangements regarding responsibility, pricing mechanisms, and profit sharing.

In the context of modern business, especially in digital-based gold trading, the practice of consignment faces additional challenges in the form of the validity of electronic contracts, fluctuations in gold prices, and consumer protection. Therefore, it is necessary to strengthen governance through contract standardization, accountable documentation, and increased literacy of sharia economic law for business actors and consumers. With the application of these principles, gold consignment not only functions as an efficient business instrument, but also as an ethical, fair, and sustainable muamalah practice in accordance with the values of sharia economic law.

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