

7<sup>th</sup> December 2016

**FATWA WITH RESPECT TO THE “SGX GOLD EXCHANGE TRADED CONTRACT”, A SPOT TRANSACTION (SETTLED ON LTD+2) FOR THE PURCHASE OF GOLD VIA THE SINGAPORE EXCHANGE**

We, the undersigned are the scholars composing the Shariah Supervisory Board (‘SSB’) of Amanie Advisors LLC (‘Amanie SSB’) for the SGX Gold Exchange Traded Contract (‘Contract’), a spot physically delivered gold purchase via the Singapore Exchange (hereinafter referred to as “SGX”).

The Contract is a physically delivered exchange contract settled over three (3) days. The Buying Members and Selling Members purchase and sell identified gold on spot through legally enforcing notices issued through SGX, as required in clause 3.4 of the AAOIFI Shariah Standard on Gold. Buyers and sellers enter legally enforceable contracts on LTD (T+0) whereby the buyer takes delivery of the purchased gold on LTD+2 and the Selling Member receives the funds from the sale of gold on LTD+2.

**Salient Features of the Contract**

1. The Contract is established and traded on the exchange.
2. The buyer and seller enter into a legally binding sale and purchase contract for identified gold on LTD. The gold is reserved on LTD.
3. The buyer issues payment confirmation and the seller issues the delivery documents on LTD+1.
4. The Contract is physically settled on LTD+2 (i.e. during the session of the contract) unless an Alternative Delivery Procedure is chosen (on LTD) – then the Contract would be settled outside of the exchange between the parties and would not be under the purview of the SSB.
5. In the event of default of any obligation, the Contract is cash settled.
6. A surcharge is charged to a seller who opts for a short position transfer (unable to fulfil the contract obligations).

No.	Matter	Description
1	Quotations	<ul style="list-style-type: none"><li>• USD/g, 25kg per lot</li></ul>
2	Specifications	<ul style="list-style-type: none"><li>• Gold kilobar at 99.99% fineness – approved refinery origination</li></ul>
3	Minimum fluctuations	<ul style="list-style-type: none"><li>• USD0.005</li></ul>
4	Limitations	<ul style="list-style-type: none"><li>• No price limits</li><li>• 60 lots position for spot</li><li>• 200 lots position combined</li></ul>

**Key Documentation (the “Documents”)**



No.	Name	Purpose
1	Contract Specifications	Specifications for the Kilobar Contract
2	SGX Notices	Notices given by Buying and Selling Members and SGX which act as evidence of rights and obligations.
3	SGX Member Rules	Rules governing all interactions and governance of the exchange.

On the basis of the above and pursuant to the review of the abovementioned documentation (“the Documents”), we are of the opinion that the Contract is in compliance with the requirements of the glorious Shariah principles and all requirements as stipulated in the AAOIFI Shariah Standard on Gold.

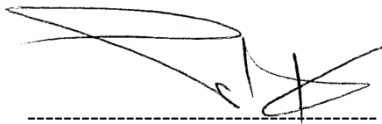
*Allah Almighty knows best.*

**APPROVED BY:-**

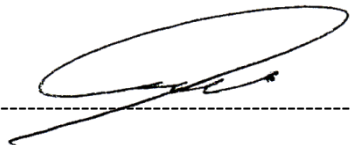
**Dr Mohamed Ali Elgari** (Chairman)

  
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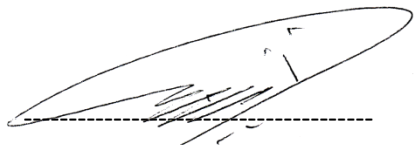
**Dr. Mohd Daud Bakar** (Member)

  
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**Dr. Muhammad Amin Ali Al- Qattan** (Member)

  
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**Dr. Osama Al- Dereai** (Member)

  
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