Gold Dinar: The Impacts on Economic Social Order

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PRESENTATION OUTLINE

- Introduction
- The impact on Social Order
  - Curbing greed and other negative elements
  - Creation of a focused wealth accumulation
  - Creation of discipline corporate society
  - Reducing dependency on debts
- Creation of new Malaysian society
INTRODUCTION

- Money supply and 1997 Asian Financial Crisis
- Gold Dinar as a solution?
  - Bilateral Payment Agreement (BPA)
  - Participation from private sectors e.g. Royal Mint of Malaysia
- Implementation:
  - Gold Dinar only for international trade – practical
  - Wipe out fiat money - impractical
BPALC PROCESS

1. Sales Contract
2. BPA L/C Application
3a. Advice Of LC Issued
3b. Send BPA L/C
4a. Advise Of L/C Received
4b. Inform BPA L/C
5a. Ship Goods
5b. Documents
6a. Payment
6b. Documents
6c. Reimbursement Request
6ci. Payment
7. Letter of Advice
8. Payment RM15 mil
9. Documents
9a. Debit Authorization 86,641.09 GD
10. A. Advice of Payment
11. B. Payment

Exporter

Exporter’s Designated Bank EDB

Exporter’s Central Bank ECB

Importer

Importer’s Designated Bank IDB

Importer’s Central Bank ICB
THE IMPACT ON SOCIAL ORDER

1) Curbing greed and other negative elements

- Negative elements of fiat money:
  - Interest oriented
  - Increase inflation
  - Promote unemployment
- Prohibition of interest in Gold Dinar economy
- Promotes Mudharaba and Musyarakah
2) Creation of Focused Wealth Accumulation

- Fiat money e.g. credit card --- Artificial Wealth
- Gold Dinar --- Real Wealth
3) Creation of Discipline Corporate Society

- Remove currency speculation and arbitrage
- Transaction within the real sector
- Impact --- improve corporate governance --- more discipline corporate society
4) Reducing Dependency on Debts

- Artificial wealth of fiat money --- create debts (e.g. credit card)
- Dinar:
  - All transactions take place with actual funds
  - No need for intermediate credit e.g. credit card
- Elimination of interest imposed on bank loans
CREATION OF NEW MALAYSIAN SOCIETY

Figure 1.: The impacts of Gold Dinar on economy social order
Thank you

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