A SHARIA PERSPECTIVE ON THE LEGAL STATUS OF CRYPTOCURRENCIES
Gharar, Maysir, And Financial Innovation In Islamic Economics

Muhammad Irsyad Ariaputra[1], Muhammad Vicho Al Raflly[2], Putri Fakhiran Fania Khansa[3], Salma Apriliani[4], Muhammad Parhan[5]
Email: irsyd.aria@upi.edu[1], vicho28ar@upi.edu[2], putrifakhirah@upi.edu[3], salmaapril.123@upi.edu[4], parhan.muhammad@upi.edu[5]
Universitas Pendidikan Indonesia

Abstract: *This paper explores the legal status of cryptocurrencies within Islamic law, addressing fundamental shariah principles such as gharar (uncertainty), maysir (speculation), and riba (usury). Positioned as a shariah-based analysis, this research critically examines whether cryptocurrencies, as digital assets, align with or contradict these principles. Using qualitative methods and sources from Islamic finance authorities and recent fatwas, the study discusses cryptocurrencies' legal implications, blockchain's technological basis, and the divergence of scholarly opinions regarding their permissibility. The analysis concludes with findings on conditions that might reconcile cryptocurrencies with Islamic law, providing a framework for safe and compliant use. This research contributes to the discourse on Islamic economic principles in modern financial systems.*
Keyword: *Cryptocurrency In Shariah, Gharar And Maysir, Islamic Financial Law, Blockchain.*

Abstrak: Penelitian ini mengeksplorasi status hukum mata uang kripto dalam hukum Islam, mengangkat prinsip-prinsip inti Syariah seperti gharar (ketidakpastian), maysir (spekulasi), dan riba. Dengan pendekatan analisis berbasis Syariah, penelitian ini mengkaji apakah mata uang kripto, sebagai aset digital, sesuai atau bertentangan dengan prinsip-prinsip ini. Menggunakan metode kualitatif dan sumber dari otoritas keuangan Islam serta fatwa terbaru, penelitian ini membahas implikasi hukum dari mata uang kripto, dasar teknologi blockchain, dan perbedaan pendapat ulama terkait kebolehannya. Analisis ini menyimpulkan dengan temuan tentang kondisi yang dapat merekonsiliasi mata uang kripto dengan hukum Islam, memberikan kerangka kerja untuk penggunaan yang aman dan sesuai Syariah. Penelitian ini berkontribusi pada diskusi tentang prinsip ekonomi Islam dalam sistem keuangan modern.
Kata Kunci : Cryptocurrency Dalam Syariah, Gharar Dan Maysir, Hukum Keuangan Islam, Blockchain.

INTRODUCTION

Money in Islam takes a unique and challenging look at how money has operated in Islamic societies and how Islamic theoretical frameworks have influenced perceptions of money. Departing from the growing concept of currency is using cryptocurrencies, such as Bitcoin, in global financial transactions. It is undeniable that the performance of cryptocurrency investments as an alternative asset class has proven to be an excellent choice to help diversify portfolio risk as the correlation between cryptocurrencies and traditional assets is consistently low, and the average daily return of most cryptocurrencies is higher than conventional investments. These developments have led to debates regarding their validity in the perspective of Islamic law, especially given that digital currencies lack a physical form and clear intrinsic value. In Islam, concepts such as riba (interest), *gharar* (uncertainty), and *maysir* (speculation) should be avoided in economic transactions. Therefore, research on the legal status of cryptocurrencies in Islam is crucial to guide Muslims in facing the challenges of modern financial technology.[1]

Cryptocurrency is a digital asset that acts as a secure medium of exchange using strong cryptography to enable secure financial transactions, control the creation of additional units, and verify asset transfers. Unlike other digital currencies that may be

[1] Dewi Hamin, *CRYPTO CURRENSI DAN PANDANGAN LEGALITAS MENURUT ISLAM: SEBUAH LITERATURE REVIEW*, vol. 2507, no. February (2020), pp. 1–9.

issued centrally, circulated within a community or geographical location, or linked to a fiat currency or the organisation that issued it, cryptocurrencies have very different characteristics.[2]

Bitcoin is an open distributed ledger that records transactions. This solves the problem of double spending and does not require a trusted third party. Decentralisation allows blockchain technology greater capacity, better security, and faster settlement. Some of these features top the list of shortcomings of traditional financial systems. As a result, blockchain and cryptocurrencies have become two of the most pressing topics.[3]

So far, various scholars and academics have researched cryptocurrencies in Islam. Several fatwa institutions, such as the Indonesian Ulema Council (MUI) and the National Sharia Council (DSN), have provided varying views, ranging from those that forbid to those that allow the use of cryptocurrencies under certain conditions. Studies published by AAOIFI (Accounting and Auditing Organization for Islamic Financial Institutions) have also reviewed aspects of Islamic finance relating to cryptocurrencies. However, there is no clear consensus. Some academic research, such as articles in Islamic economics journals, have discussed the potential benefits of cryptocurrencies for the Islamic financial system. Still, not many have explored the legal aspects in depth.[4]

This research aims to fill a gap in the existing literature by providing a comprehensive review of the legal status of cryptocurrencies from a sharia perspective. This is important as more and more Muslims are engaging in digital transactions while their sharia legal foundation is still being debated. In addition, this research will critically examine how basic principles in Islamic law, such as the prohibition of riba, gharar, and maysir, apply in the context of cryptocurrencies. As such, this research is expected to significantly contribute to contemporary Islamic economic studies and practical guidance for the Muslim community. This will include an analysis of recent fatwas and academic studies, as well as an examination of the legal basis of sharia. The expected outcome of this research is a clear conclusion on whether cryptocurrencies are acceptable in Islamic law and under what conditions they are allowed or prohibited. Hopefully, this research will shed new light on the development of Islamic law about modern financial technology.[5]

RESEARCH METHOD

This research paradigm uses a qualitative method where the data is taken from literature studies from previously conducted research journals and books related to this research topic. In addition, data collection will focus on the views of experts and religious institutions and the approach of the Qur'an and Hadith. The data obtained will be analyzed first by using data reduction, summarising, classifying, and simplifying the data to be more focused. Then, the data that has been obtained is presented systematically and reviewed using a data display. Furthermore, drawing conclusions and verifying the data aims to get answers to the formulation of the problem. There is also a review so that there is a match between the data that has been concluded and the data that has been obtained.[6]

---

[2] Isnal Khoeri, Ummah, and Ahdiana Yuni Lestari, "Cryptocurency dalam Perspektif Hukum Islam", *Ahmad Dahlan Legal Perspektive*, vol. 3, no. 2 (2024), pp. 95–107.

[3] Imam Mabrur, "Cryptocurrency Dalam Kaca Mata Hukum Islam Dan Hukum Negara Indonesia", *Islamijah: Journal of Islamic Social Sciences*, vol. 4, no. 3 (2023), p. 212.

[4] Hardian Satria Jati and Ahmad Arif Zulfikar, "Transaksi Cryptocurrency Perspektif Hukum Ekonomi Syariah", *Al-Adalah: Jurnal Hukum dan Politik Islam*, vol. 6, no. 2 (2021), pp. 137–48.

[5] P.D. Kartikasari and M.N.R. Maksum, "Pandangan Ulama Muhammadiyah Terhadap Penggunaan Mata Uang Crypto Sebagai Alat Tukar", *... : Indonesian Journal of ...*, vol. 2 (2024), pp. 761–71, http://journal.csspublishing.com/index.php/ijm/article/view/959%0Ahttp://journal.csspublishing.com/index.php/ijm/article/download/959/729.

[6] Anugrah Wilujeng, "TINJAUAN HUKUM ISLAM TERHADAP INVESTASI CRYPTOCURRENCY", *AT-TAWASSUTH: Jurnal Ekonomi Islam*, vol. VIII, no. I (2023), pp. 1–19.

RESULT AND DISCUSSION

1. *Fiqh Perspectives on Money*

In Islamic economics, money can be interpreted as an asset used when making buying and selling transactions. Etymologically, money comes from the word *al-naqdu*, which means grasping dirhams, distinguishing dirhams, and means cash. Most Arab societies do not use *nuqud* to show prices but use the word dinar as a currency made of gold and dirham as a medium of exchange from silver. [7]

There are no specific categories and opinions about money in Islam. Muhammad Abu Bakar[8] added cash from the following attributes:

a. Exchange tool
b. Widely accepted as a means of payment
c. Value measure
d. Calculation unit

In the Islamic view, money is used only as a medium of exchange in making transactions, in contrast to money according to conventional economics, which states that money can also be interpreted as a commodity.

Economic transactions are activities carried out by a person that affect their assets and finances, whether the assets increase or decrease. Some principles must be followed when conducting transactions in Islam.[9]

a. A sale and purchase transaction must be based on the agreement of two parties.
b. Engage in mutually beneficial cooperation.
c. In transactions, we are commanded to maintain trust always.
d. Free from usury. According to the MUI (Indonesian Ulema Council), usury means adding value without reward that occurs due to the deferral of previously promised payments.
e. Done the right way.
f. Conduct transactions on halal objects. The objects traded must be recognised as halal based on sharia principles.
g. Not cheating and not deceiving. Conducting transactions
h. must be done honestly so that no party is harmed.

In addition, various transactions are not allowed in Islam due to multiple factors.[10], namely:

a. Haram substance (object of transaction). This is in accordance
   The fiqh rule "*ma haruma fi'luhu haruma thalabuhu*" explains that if an object is forbidden, the effort to get it will also be forbidden.
b. Haram in addition to the substance (the method of transaction).
   In practice, transactions can become haram if they violate the principles of *muamalah*. Several transactions violate these principles, including *tadlis*, *ikhtikar*, *bai'najasy*, riba, *gharar*, and *maysir*.
c. The contract is not valid. The transaction will not be valid if there is one party that does not agree with the transaction.

---

[7] ISLAMICOIN Team, "The Islamic Shariah view on establishing the ' Haqq Chain ' network and the issuance of its own currency ' Islamic Coin '", *Islamicoin* (2022), https://islamiccoin.net/fatwa?lang=english.

[8] Akhmad Ilham Hanafi, "Mengeksplorasi Dampak Inovasi Teknologi Terbaru dalam Investasi Syariah", *Religion: Jurnal Agama, Sosial, dan Budaya*, vol. 1 (2023), pp. 1316–35, https://doi.org/10.55606/religion.v1i6.830.

[9] M.R. Kurniawan, R. Purbowisanti, and ..., "Risks and Investment of Cryptocurrency: an Islamic Approach", *Journal of Islamic ...*, vol. 1, no. 1 (2023), pp. 1–12, http://thejournalish.com/ojs/index.php/jisben/article/view/418%0Ahttp://thejournalish.com/ojs/index.php/jisben/article/download/418/295.

[10] Kartikasari and Maksum, "Pandangan Ulama Muhammadiyah Terhadap Penggunaan Mata Uang Crypto Sebagai Alat Tukar".

Based on sharia principles, a Muslim has several restrictions in conducting economic transactions, one of which is related to using means of exchange. There are various types of medium of exchange, such as currency (banknotes and metals) for cash payments and non-cash payments (credit cards, debit cards, and e-money). The development of digital technology itself has created a new financial transaction tool called cryptocurrency. The money currently circulating in Indonesia, namely the rupiah, is a type of fiat money, which means that the currency is issued and managed by the government of a country. Fiat currencies have laws that regulate them as legal tender in obtaining their value and validity. In contrast, cryptocurrency gets its validity value from cryptographic technology that secures transactions. In Islam, the law of fiat money was initially debated because its fluctuating nature made some scholars not allow it. Still, some scholars allow fiat money. Most scholars argue that using dinars and dirhams as the currency of Muslims is prescribed (legalised), and the law is permissible. Thus, money of other types than gold and silver can also be used as currency as long as it has been agreed upon.

2. *Aspects of Islamic Law in Cryptocurrency*

In Indonesia, cryptocurrency already has its regulations and legality, one of which is regulated in Law No.10 of 2011 concerning Amendments to Law No.32 of 1997 concerning Commodity Futures Trading. Rules related to this cryptocurrency differ depending on the type.[11] Thus, every kind of cryptocurrency has its legality. Although there are clear regulations regarding the use of cryptocurrency in Indonesia, which already uses Islamic law, many people are still sceptical about it, considering that cryptocurrency contains speculative elements (*maysir*) that are for profit.[12] In cryptocurrency, Muslims have their source of reference, which comes from the Qur'an and Hadith. In addition, *qiyas* is one of the ijtihad methods used to determine laws related to Islamic law. *Qiyas* means *taqdiru assyay'i bi ghairihi*, which means measuring an object with something universal and having characteristics that match the object. From this source, it is found that the primary requirement in Islamic fiqh to make transactions is that the exchange rate and what is exchanged must be precise.

Thus, the unstable practice of cryptocurrency, which in its use cannot be predicted to increase or decrease in value, makes cryptocurrency contain elements of *gharar*. *Gharar* comes from Arabic, which means gambling, so it is not a Gamble. There is clarity in a transaction that is carried out and has the potential to harm a party. The prohibition on transactions that contain *gharar* is explained in Al-Qur'an letter An-Nisa Verse 29. The verse explains that a trade transaction must be carried out by agreement so that no party is harmed; this shows that cryptocurrency is contrary to letter An-Nisa Verse 29 because, in its use, cryptocurrency does not have apparent certainty so that it can result in losses to one of the parties to the transaction. The value of cryptocurrency, which is not clear in its ups and downs and tends to have a for-profit nature, makes cryptocurrency unable to be used as a sharia commodity because of the speculative element (*maysir*) in its use.

The verse explains the prohibition of gambling, which indicates that cryptocurrency is contrary to this verse because, in practice, there is an element of betting in the use of cryptocurrency. In the hadith of the prophet Muhammad SAW, narrated by Abu Hurairah, there is also a review related to cryptocurrency, where the hadith explains the prohibition of buying and selling *al-hashah* and *gharar*. Where the element of *gharar* is found in the use of cryptocurrency; furthermore, *qiyas*, the determination of the law related to cryptocurrency, can be compared to the hadith from Imam Malik; the hadith explains the prohibition of selling *hablu al-habla*, which means selling camel fetuses that are still in the womb so that their nature and characteristics are unknown.

---

[11] "UNDANG-UNDANG REPUBLIK INDONESIA NOMOR 7 TAHUN 2011 TENTANG MATA UANG", *עלון הנוטע*, vol. 66, no. July (2011), pp. 6–17.

[12] Jati and Zulfikar, "Transaksi Cryptocurrency Perspektif Hukum Ekonomi Syariah".

Cryptocurrency can be assumed to be the same as *hablu al-habla* because of its unclear transaction system. In the *adzariah* method, cryptocurrency is also better avoided because it contains aspects of mischief so that it can have a more significant impact. *Adzariah*, according to Imam Al-Syaitibi, is doing something that initially contains benefits but, in the end, leads to harm or damage. Imam Al-Syaitibi also revealed three benchmarks, according to *sadd adzariah*, in seeing the action become prohibited. First, actions that contain mischief. Second, when the level of harm is greater than the benefit; third, the action that is carried out contains more mischief. Based on these three benchmarks, it is concluded that cryptocurrency contains more mischief because it can affect bubble economics and impact the wider community.

3. *Fatwas and Scholars' Views on Cryptocurrency*

Although accepted as a digital asset, cryptocurrency has many adverse risks, including threatening the sovereignty of the country's official money. It is prone to being used as a suggestion for money laundering. From a sharia perspective, the use of cryptocurrency has elements of *gharar* and *qimar*. This is due to the price volatility that goes up and down tremendously. As a non-governmental organisation, the Majelis Ulama Indonesia (MUI) finally gave a decision through an official fatwa, which in this case is found on the website of the Indonesian Ulema Council (MUI) regarding the clarity of the legality of using cryptocurrency in a meeting of the *Ijtima* Ulama Commission of the Indonesian Ulama Council.

1. The use of cryptocurrency as a currency is haram because it contains *gharar* (uncertainty) and dharma (danger) and contradicts Law number 7 of 2011 concerning Currencies and Bank Indonesia Regulation number 17 of 2015 concerning the Obligation to Use Rupiah in the Territory of the Unitary State of the Republic of Indonesia.
2. Cryptocurrency is not valid to be traded as a commodity / digital asset because it contains *gharar*, *dharar*, and *qimar* (gambling) and does not meet the requirements of *sil'ah* (commodity) in shar'i. Namely, There is a physical form; it has value, the amount is known with certainty, property rights, and can be handed over to the buyer.
3. Cryptocurrency is legally traded as a commodity/asset if it qualifies as *sil'ah*, has an underlying, and does not contain *gharar*, *dharar*, or *qimar*.

According to the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), an independent organisation of industry bodies is dedicated to developing international standards applicable to Islamic financial institutions (IFIs). AAOIFI standards are based on Islamic finance contracts such as *murabaha* financing (CostPlus), *mudharabah* financing (Profit Sharing), and zakat. AAOIFI's Financial Accounting Standards (FAS) revealed that no standards within AAOIFI deal with accounting for cryptocurrencies. AAOIFI defines an asset as a resource controlled by an Islamic Financial Institution (IFI) that its owners or investment account holders finance as a result of a past transaction, event, or condition that gives the IFI an enforceable right to the resource and provides it with economic benefits, either present or future. Cryptocurrencies appear to fit the AAOIFI definition of assets, provided an IFI controls them. This is accordingly based on this definition of cryptocurrency. In general, scholars have two different opinions. The first group believes it is allowed in Islamic law, but the other group believes that Islamic requirements prohibit cryptocurrency. This is supported by a quote from the official website of Muhammadiyah, based on: First, cryptocurrency was introduced by the 27th *Tarj-Tajdid* Assembly. It was declared an investment product at a national conference in Padang in 2003. Muhammadiyah scholars stated that virtual currencies are currencies that are supported by government regulations and are further prohibited from use based on the findings of the 7th *Ijtima* MUI, which regulates virtual currencies, and trading digital currencies as commodities or digital assets is one of them arguing that it is haram, including *gharar*, *dalal*, *qimar* (gambling) and not following sharia law governing *sil'ah*. Some scholars also hold opinions prohibiting cryptocurrencies.[13] They are sharia scholars such as the Grand Mufti of Egypt, the Turkish government, the Palestinian Fatwa Center, Sheikh Haitham of America, and the Kingdom declared cryptocurrencies prohibited on the grounds:

1. Cryptocurrencies can be used for illegal activities with criminal elements and intent that will be rampant, such as fraud or money laundering.
2. Cryptocurrencies do not have a physical form like flat money, so they do not meet existing standards.
3. There is no central authority system to monitor and audit the system of cryptocurrencies.
4. Cryptocurrency issuers are unknown to the government or the centre of gravity behind them.

However, referring to Darul Ulloom Zakariya, the *Fatwa* Center of the Islamic Seminary of South Africa believes virtual currencies are generally allowed.[14] The reason is that cryptocurrencies meet the criteria and definition of an asset (*mal*) and money for the following reasons:

1. Treated as something valuable in the community.
2. A group of people are accepted as a medium of exchange.
3. Value can be measured.
4. Serves as an arithmetic unit.

Furthermore, from the perspective of Islamic law, virtual currencies can meet requirements such as value, utility, identifiability, transferability, and ownership as long as they are not goods with intrinsic value. Nothing considered a commodity must have inherent value if cryptocurrencies do not meet these requirements. Despite having no intrinsic value, cryptocurrencies are mined using robust knowledge systems and expertise using cryptographic techniques to organise and generate currency units and verify the transfer of funds. These protocols are more robust than digital fiat processes.[15]

4. Cryptocurrency as a Transaction Tool

Payment instruments can be called channelling media in the payment process. Thanks to technological advances in Indonesia, payment instruments are now divided into cash and non-cash, which can facilitate users. Lately, there has been quite a lot circulating about the use of cryptocurrency, but the regulation of the transaction system in various countries is different. The system is based on blockchain or block technology, where transactions are divided so that anyone entering the system can automatically and transparently connect to the rest of the world. Blockchain networks are one of the fastest-growing financial technologies in recent years. The blockchain technology system covers all crypto-asset transactions. The blockchain exists only in a digital world that contains public records, so the owner does not receive physical money or coins, which is very efficient in terms of time and place. People can use crypto assets in the digital world by accepting them, storing them as investment assets, trading them (buying and selling), and mining them using the proof-of-work system on the blockchain.[16]

When a transaction is already on a national scale in making payments, a predetermined means of payment is needed; in Indonesia, there is a system that regulates it, namely Regulation of the Republic of Indonesia Number 23 of 1999 concerning Bank

---

[13] Moh Mardi, "Cryptocurrency Technology of Litecoin for Investment and Business Transactions Based on Islamic Law Perspective", *Syaikhuna: Jurnal Pendidikan dan Pranata Islam*, vol. 12, no. 2 (2021), pp. 197–209.

[14] Kartikasari and Maksum, "Pandangan Ulama Muhammadiyah Terhadap Penggunaan Mata Uang Crypto Sebagai Alat Tukar".

[15] Maman Suryaman and Hasan Bisri, "Prinsip-Prinsip dan Kaidah Dasar Transaksi dalam Sistem Ekonomi Syariah", *Al Mashalih - Journal of Islamic Law*, vol. 4, no. 1 (2023), pp. 1–8.

[16] Candrika Arivia Apriliani, Achmad Irwan Hamzani, and Muhammad Wildan, "Legalitas Transaksi Aset Kripto Menurut Perspektif Hukum Islam", *Jurnal Ilmiah Mahasiswa Perbankan Syariah (JIMPA)*, vol. 3, no. 1 (2023), pp. 113–24.

Indonesia, in article 2 paragraph (2), "Rupiah money is a legal tender in the territory of the Republic of Indonesia (NKRI)."[17]

Therefore, using cryptocurrency as a transaction is illegal, and no formal authority is authorised. If there are users who still use unauthorised currencies in transactions in Indonesia, they can be subject to Article 33, which explains that "everyone who does not use rupiah in:

1. Any transaction that has the purpose of payment,
2. Settlement of other obligations that must be met with money and/or,
3. As referred to in Article 21, paragraph 1, other financial transactions shall be punished with a maximum imprisonment of 1 (one) year and a maximum fine of Rp. 200.000.000,00 (two hundred million rupiah)."

Some countries, such as Puerto Rico, California, and the United States, have given Bitcoin a clear legal status and recognised it as a virtual currency that can be used as a medium of exchange.[18]

In Indonesia, there are no regulations on using cryptocurrencies as virtual currencies, so there are no guarantees in using cryptocurrencies, which limits their ability to function as a reliable store of value. This is related to the high fluctuations in the value of cryptocurrencies containing extreme volatility and sharp values, which can also be interpreted as gambling, so it must be realised that the security and confidentiality risks resulting from the use of crypto money in society are purely borne by the users themselves because in this case, the government has no authority.

Cryptocurrency is a currency that has no underlying assets. There is no guarantee of any assets in the use of cryptocurrency, so there is an opinion that cryptocurrency is created from something that does not exist. This creates a considerable risk, where if there is a security failure, inappropriate use of cryptocurrency, or cryptocurrency misappropriation activities that refer to criminality, then all risks are borne only by the perpetrators and users.

Another aspect is the uncertainty in sharia and more *mudharat* than the benefits obtained if used as a transaction tool because every risk arises is a weakness in security, especially if there is misuse or criminal acts against transactions.

5. *Cryptocurrency as a Digital Asset*

Cryptocurrency is a digital asset, an item or object in an electronic value system that individuals can own and control. Digital assets have a digitally registered ownership concept, and the owner directly controls money. The cryptographic system can speed up and provide comfort and convenience in carrying out activities in the cyber world, ranging from money transfers and investments to electronic transactions.[19]

According to former Indonesian trade minister Muhammad Lutfi, this crypto asset will also be critical, especially when 5G, the Internet of Things, cloud computing, and artificial intelligence are essential parts of the digital economy. Considering the progress of technology, this crypto asset will become very useful in the future.

Some scientists believe cryptocurrencies should be banned due to their high volatility, which can be interpreted as gambling. However, some scholars argue that virtual currencies can be used as long as they do not contain elements of *gharar*, so they are allowed. In this case, through BAPPEBTI Regulation Number 5 of 2019, the government has stipulated the technical provisions for organising the political crypto asset market on futures exchanges.

When you store cryptocurrency in your account services app, these cryptocurrency fund types do not rotate. This is because each type of cryptocurrency has a unique code

[17] "UNDANG-UNDANG REPUBLIK INDONESIA NOMOR 7 TAHUN 2011 TENTANG MATA UANG".

[18] Idrus, "Halal Haram Cryptocurrency", *Al-Tasyree: Jurnal Bisnis, Keuangan dan Ekonomi Syariah*, vol. 13, no. 02 (2021), pp. 113–23.

[19] Jati and Zulfikar, "Transaksi Cryptocurrency Perspektif Hukum Ekonomi Syariah".

that can only be accessed by the account holder. This, in turn, leads to high demand for specific cryptocurrencies, causing their value to skyrocket.

However, digital currency (virtual money) contains *gharar* and is volatile, so its use as an investment is not considered to follow Islamic law. According to the Indonesian Ulema Council, the governing body of Indonesian Muslims, trading in digital currency (virtual money) that has an underlying asset and meets the requirements of si'lah is permissible. Investing in Islam can be a profitable activity. Islam strongly encourages investment activities. Because through investment, the assets you have become productive and valuable.[20]

6. *Overview of Qiyas in Cryptocurrency*

In applying *qiyas* to determine the legal status of cryptocurrency in Islam, the basic principle is to compare cryptocurrency with other transactions that already have clear laws in sharia. As one of the methods of *ijtihad*, *qiyas* aims to find similarities in *illat* (legal reasoning) between new cases that have not been explicitly mentioned in the Qur'an and Hadith and cases that already have definite laws. In this case, cryptocurrency can be compared to other transactions that contain elements of uncertainty (*gharar*), speculation (*maysir*), or buying and selling goods that are unclear in form and value. One of the pillars in *qiyas* is *illat*, which is the cause that is the basis for determining the law. Cryptocurrency can be compared to buying and selling transactions containing *gharar*, such as buying and selling camel fetuses still in the womb (*hablu al-habla* buying and selling), as explained in the Prophet's Hadith. Such transactions are prohibited because of uncertainty regarding the goods being traded, whether in terms of quantity, quality, or certainty of existence. Thus, the element of *gharar* in cryptocurrency is the uncertainty about its fluctuating value and the absence of an underlying asset that supports it physically, as mentioned by several scholars.[21]

The comparison between cryptocurrencies and traditional financial transactions also provides a deeper understanding of the application of *qiyas*. In traditional monetary systems, such as gold or silver transactions, clear conditions have been set, such as equality in amount and payment in cash. However, in cryptocurrency transactions, the lack of clarity regarding the value and the process makes it closer to speculation, which in Islam is called *maysir*. This speculation is similar to gambling, where users expect to make huge profits via price fluctuations that are not.[22]

In addition to the elements of *gharar* and *maysir*, cryptocurrency is also feared to contain *dharar* or harm the parties involved. Uncertainty in the system can lead to significant financial losses, especially with cryptocurrencies that do not have official oversight by monetary authorities in many countries. This potentially opens a loophole for money laundering and terrorism financing.[23]

Using *qiyas*, cryptocurrencies can be viewed as similar to those transactions that are prohibited in Islam due to their uncertainty, speculation, and potential harm. This approach helps conclude that, although cryptocurrencies offer convenience and efficiency in transactions, harmful elements such as *gharar*, *maysir*, and *dharar* make them incompatible with sharia principles. Fatwas from various Islamic religious authorities reinforce this view, the majority of which state that the use of cryptocurrencies as a means of transaction and investment does not meet.[24]

---

[20] Ade Lukman Firmansyah et al., *CRYPTOCURRENCY DALAM PERSPEKTIF PERMENDAG NO. 99 TH. 2018 DAN HUKUM ISLAM*, vol. 4, no. 3 (2024).

[21] Ilham Muhammad and Erna Pamungkas, "Transaksi Cryptocurrency Dalam Perspektif Hukum Islam", *Collegium Studiosum Journal*, vol. 7, no. 1 (2024), pp. 11–9.

[22] Masudull Choudhury, "Money in Islam", *Journal GEEJ*, vol. 7, no. 2 (2020).

[23] Achmad Fajaruddin et al., "THE CONCEPT OF CRYPTOCURRENCY IN ISLAM", *FINANSIA : Jurnal Akuntansi dan Perbankan Syariah*, vol. 6, no. 1 (2023), pp. 77–88.

[24] Hamin, *CRYPTO CURRENSI DAN PANDANGAN LEGALITAS MENURUT ISLAM: SEBUAH LITERATURE REVIEW*.

In further discussing the application of *qiyas* in determining the legal status of cryptocurrencies, it is essential to take a closer look at the specific aspects of cryptocurrency transactions that differentiate them from traditional financial transactions and how these apply to Islamic legal principles. *Qiyas* serves as a tool to establish law based on the analogy of a case with explicit legal provisions with a case that has not yet been regulated, thus providing legal certainty for new phenomena such as cryptocurrencies. First, from the point of view of *gharar* (uncertainty), cryptocurrency is often associated with buying and selling, which is uncertain or unclear about its validity. In Islam, transactions that contain uncertainty or indeterminacy, such as buying and selling goods, are illegal. If the quality and quantity are unknown, it is not valid. For example, in traditional buying and selling transactions, the traded goods must be explicit in nature and value. However, with cryptocurrencies, the extreme fluctuations in value and the lack of guarantees from authorities make them similar to *gharar* transactions.[25]

For example, in the case of buying and selling "*hablu al-habla*" (buying and selling unborn camel fetuses), the Prophet SAW prohibited it because of uncertainty about the existence and condition of the goods being traded. The *illat* or motive for this prohibition is the element of *jahalah* (ignorance) which results in uncertainty. In *qiyas*, cryptocurrencies can be equated with this kind of sale and purchase due to their nature, which has no certainty of value and physical form. This condition is similar to the uncertainty in *gharar*, which can result in speculation and potential losses.[26]

Secondly, regarding *maysir* (speculation or gambling), cryptocurrencies have characteristics that are very similar to those of gambling. The price speculation in the cryptocurrency market is often not based on fundamental factors or the asset's actual value but rather on unpredictable market fluctuations. This speculation can result in enormous profits for some but also cause huge losses for others. In Islam, *maysir* is one of the prohibitions in transactions because it contains elements of luck and high uncertainty. Cryptocurrencies, with their high price volatility and significant risk, fulfil these *maysir* criteria, thus not meeting the sharia standards for fair transactions and not harming other parties.[27]

Thirdly, the *dharar* or danger that may arise from cryptocurrency use is also one reason why it is incompatible with sharia principles. Without clear regulations and official oversight, cryptocurrency transactions can be at high risk of fraud, money laundering, and other financial crimes. This contrasts conventional currencies overseen by monetary authorities, such as central banks, tasked with maintaining the stability and validity of currency values. In the Islamic view, preserving benefits and avoiding harm are the main principles in any economic transaction, so transactions that have the potential to cause more harm than benefit are considered invalid.[28]

Furthermore, in *qiyas*, cryptocurrencies can be compared to fictitious buying and selling transactions, where the traded object has no real value or clear physical form. In many cryptocurrency transactions, the value of these digital assets is not backed by tangible assets such as commodities or other valuables. As explained in several fatwas of scholars and academics, a condition for the validity of an asset in Islam is the existence of an absolute value backing it, which is not found in most cryptocurrencies. Hence, this raises doubts about whether cryptocurrencies can be treated as an exchange commodity.[29]

Fourth, the application of *qiyas* in cryptocurrency can also be seen through an official authority's fiat money (paper money). In the case of fiat money, even though it has no intrinsic value like gold or silver, it is still valid to use because an authorised authority

---

[25] Fajaruddin et al., "THE CONCEPT OF CRYPTOCURRENCY IN ISLAM".
[26] Choudhury, "Money in Islam".
[27] Fajaruddin et al., "THE CONCEPT OF CRYPTOCURRENCY IN ISLAM".
[28] Muhammad and Pamungkas, "Transaksi Cryptocurrency Dalam Perspektif Hukum Islam".
[29] Choudhury, "Money in Islam".

backs it. However, cryptocurrencies do not have the backing of any official authority, so their status in sharia remains questionable. Imam Al-Ghazali stated that money must be recognised by a legitimate authority to be used as a medium of exchange.[30] Therefore, although cryptocurrencies function as a medium of exchange in peer-to-peer networks, their absence in a system regulated by an authority makes them difficult to accept in Islamic law. Ultimately, using the *qiyas* method, many Islamic scholars agree that cryptocurrencies do not currently meet the criteria of halal transactions in Islam. Although the blockchain and decentralisation technologies used in cryptocurrencies offer innovations in finance, elements such as *gharar*, *maysir*, and *dharar* make them contrary to the basic principles of sharia.[31]

7. *Overview of Gharar in Cryptocurrency*

In Islamic law, *gharar* refers to uncertainty in a transaction, which can be detrimental to one of the parties. In cryptocurrencies, the element of *gharar* is particularly pronounced due to extreme price volatility and lack of value guarantees. This uncertainty risks sudden losses for the transaction participants, as is often the case in trading Bitcoin and other digital currencies.

These non-transparent and unpredictable transactions violate the principles of fairness set out in sharia, where parties to a transaction are required to know the condition of the goods being traded. This makes *gharar* in cryptocurrencies particularly relevant, as in many cases, digital currencies have no apparent intrinsic value or physical collateral. As a result, investments in cryptocurrencies often rely on speculation, putting users in an unsafe position under sharia.[32] Compared to traditional financial systems, such as Islamic banking or investing in stocks that comply with Islamic principles, the volatility and uncertainty in cryptocurrencies are much higher. Conventional financial transactions usually have strict regulations and physical guarantees of the traded assets. In contrast, no third party is responsible for errors or losses in cryptocurrencies, exacerbating the uncertainty (*gharar*) involved.

Scholars' views on cryptocurrencies vary. Some argue that cryptocurrencies contain significant gharar, so they forbid them. On the other hand, some say that cryptocurrencies can be allowed if they are used as digital assets to fulfil sharia principles, such as stability, value, and transparency in transactions.[33]

Determining the law through qiyas (legal analogy) also shows that cryptocurrencies can be equated with other gharar transactions prohibited in Islam, such as buying and selling goods of unknown form or value. This further strengthens the argument that cryptocurrencies, especially in their speculative form, can be considered contrary to sharia principles. However, some argue that if the aspects of *gharar* and speculation can be reduced or eliminated, for example, through strict regulation or asset collateralisation, then cryptocurrencies may be considered halal intransactions.[34]

Thus, despite the potential benefits of using cryptocurrencies, the inherent *gharar* aspect of these digital currencies remains a significant challenge in the view of Islamic law. Further research is needed to determine how regulations and policies can be developed to reduce the element of *gharar* in cryptocurrencies so that they can be used more safely and using sharia principles.[35]

[30] Fajaruddin et al., "THE CONCEPT OF CRYPTOCURRENCY IN ISLAM".
[31] Choudhury, "Money in Islam"; Fajaruddin et al., "THE CONCEPT OF CRYPTOCURRENCY IN ISLAM".
[32] Wilujeng, "TINJAUAN HUKUM ISLAM TERHADAP INVESTASI CRYPTOCURRENCY".
[33] Team, "The Islamic Shariah view on establishing the ' Haqq Chain ' network and the issuance of its own currency ' Islamic Coin '".
[34] Suffian Haqiem et al., *Konsep Mata Wang Menurut Syariah dan Hubungannya Dengan Mata Wang Kripto*, vol. 20, no. 1 (2023), pp. 79–95.
[35] Ahmad Kameel Mydin Meera, "Cryptocurrencies From Islamic Perspectives: the Case of Bitcoin", *Buletin Ekonomi Moneter dan Perbankan*, vol. 20, no. 4 (2018), pp. 475–92.

From an Islamic perspective, gharar refers to uncertainty and unequal risks between the parties involved in the transaction. Cryptocurrencies are often considered high-risk transactions because there is no guarantee of value, official authority, or adequate legal protection for their users. This contrasts traditional financial transactions that are more stable and regulated, especially in the Islamic banking system, where every transaction must be made with the principle of clarity, and there should be no element of uncertainty that could harm either party.

Moreover, the decentralised nature of cryptocurrencies, which do not rely on central authorities such as banks, further exacerbates the uncertainty in their use. Users rely solely on market mechanisms and blockchain technology, with no guarantee of protection in case of errors or losses. This *gharar* raises legitimate concerns in Islamic law, as the very high uncertainty can lead to transaction unfairness.

However, some experts argue that with proper regulations and greater transparency, some cryptocurrencies can be modified to reduce the element of *gharar*. For example, implementing more apparent asset guarantees or supervision from relevant authorities can minimise risk and provide more stability in crypto transactions, allowing their use closer to Islamic sharia.[36]

8. *Overview of Maysir in Cryptocurrency*

In discussing the element of *maysir* in cryptocurrency, the perspective of Islamic law emphasises the existence of excessive speculation in financial transactions that causes uncertainty and high risk. *Maysir*, in the context of sharia, is gambling or an act of speculation that involves uncertain outcomes to the detriment of one of the parties. In cryptocurrency transactions, as some scholars have identified, this element of speculation becomes a major issue that leads to *maysir*.

Cryptocurrencies such as Bitcoin and other altcoins are known to have very high volatility. The price of cryptocurrencies can fluctuate drastically quickly, often influenced by market demand, global economic events or other speculative factors. This extreme volatility leads to an element of *maysir*, as traders are frequently unable to predict whether they will make a profit or suffer a massive loss in hours or even minutes. In other words, investing or trading cryptocurrencies is often closer to gambling than a stable investment.[37] In this case, *maysir* arises when individuals buy cryptocurrencies hoping that the price will rise significantly and give them a profit, but there is no guarantee of that prediction. Sometimes, the cost can drop dramatically without warning, leading to significant losses. Such a situation creates great uncertainty, which in the shariah view can be considered as *gharar* (uncertainty) and *maysir* (speculation). It is this uncertainty that makes cryptocurrency transactions potentially contrary to Islamic principles.[38]

Traditional financial transactions, such as buying and selling shares or property, have strict regulations and controls on the underlying price and value. Stock prices, for example, are still affected by the underlying company's performance, and in the case of property, the value of the physical asset can be checked directly. In cryptocurrency, however, there is no underlying asset. Cryptocurrencies like Bitcoin have no underlying asset that can give the currency a stable value. This means that the price of cryptocurrencies is based solely on supply and demand in the market, which is prone to speculation.[39]

A comparison between traditional financial transactions and cryptocurrencies shows that cryptocurrencies are, in practice, more prone to *maysir* due to the absence of apparent value stability and adequate regulation. The traditional banking system, despite its risks, is strictly regulated by monetary authorities, which reduces uncertainty and wild

---

[36] David Kuo Chuen Lee, Li Guo, and Yu Wang, "Cryptocurrency: A new investment opportunity?", *Journal of Alternative Investments*, vol. 20, no. 3 (2018), pp. 16–40.

[37] Hanafi, "Mengeksplorasi Dampak Inovasi Teknologi Terbaru dalam Investasi Syariah".

[38] Meera, "Cryptocurrencies From Islamic Perspectives: the Case of Bitcoin".

[39] Haqiem et al., *Konsep Mata Wang Menurut Syariah dan Hubungannya Dengan Mata Wang Kripto*.

speculation. In contrast, cryptocurrency markets operate outside the supervision of conventional financial authorities, thus increasing the risk of speculation.[40] Several scholars and religious authorities, such as the Indonesian Ulema Council (MUI), have issued fatwas stating that using cryptocurrencies as a means of payment or investment is not by sharia principles. They argue that cryptocurrencies contain a strong element of *maysir*, where users cannot avoid high speculation that often leads to losses. Furthermore, *maysir* in cryptocurrencies is not limited to day trading but includes long-term risky investments.[41]

From a sharia perspective, every financial transaction must provide justice and certainty for both parties, both sellers and buyers. The element of *maysir* in cryptocurrencies undermines this principle as the transaction's outcome cannot be predicted, putting one party at a significant disadvantage. Therefore, many scholars have concluded that cryptocurrencies, primarily when used for speculation or short-term trading, are not sharia-compliant and should be avoided by Muslims.[42]

In addition to the element of *maysir*, it is also essential to consider how the decentralised nature of cryptocurrencies exacerbates this problem. Cryptocurrencies are not regulated by a central authority, such as a central bank or financial institution, so users have no strong legal protection or oversight. No institution is responsible for protecting or recovering user losses when prices fall suddenly, or fraud occurs. This uncertainty reinforces the elements of *gharar* and *maysir* in cryptocurrency transactions, making them riskier than conventional, strictly regulated financial instruments.[43] Moreover, in Islam, the purpose of economic transactions is to create benefits for society. However, as cryptocurrency is often used for short-term speculation, it creates financial instability and increases the potential for significant losses for individuals who do not fully understand the risks. As an investment tool, the profits generated from cryptocurrencies are not in line with the principles of justice and balanced wealth distribution, which Islam emphasises.[44]

For example, compared to stocks or property, where tangible assets underlying transactions exist, cryptocurrencies have no intrinsic value. Trading cryptocurrencies is more akin to price speculation than informed investment. This adds complexity and increases the possibility of significant losses for market participants unprepared for high volatility.[45] As such, many Islamic jurists argue that involvement in cryptocurrencies, whether as a medium of exchange or an investment instrument, not only contains elements of *maysir* but also involves enormous uncertainty, thus contradicting the maqashid principle of sharia, which emphasises the protection of property.

9. *A Review of Maqashid Sharia and Cryptocurrencies*

Maqashid al-syari'ah can be interpreted etymologically as a combination of two words, *maqashid* and sharia. *Maqashid*, the plural form of *maqshud*, can be interpreted as a goal. As is known, the goal must exist in every activity to make it worthwhile. The word sharia means God's sharia, rules, laws and regulations. Thus, *maqashid al-syari'ah* can be referred to as the purpose of sharia. *Maqashid al-syari'ah* is the purpose behind Islamic law and the reason set by the creator (*khaliq*) in every decision.

Al-Raysuni argues that *maqashid* can be defined as the objectives set by sharia and the rules set by Allah SWT to achieve human interests. *Maqashid* sharia usually aims to obtain benefits (*jalbal-mashalih*) and prevent damage (*daf al-mafasid*). The foundation of sharia is wisdom and preserving human interests in this world and the hereafter. Thus, *maqashid al-syari'ah* itself aims to obtain and fulfil human interests. Everything that moves to advance, realise a better society, and prevent damage aligns with *maqashid al-syari'ah*.

[40] Wilujeng, "TINJAUAN HUKUM ISLAM TERHADAP INVESTASI CRYPTOCURRENCY".
[41] Haqiem et al., *Konsep Mata Wang Menurut Syariah dan Hubungannya Dengan Mata Wang Kripto*.
[42] Meera, "Cryptocurrencies From Islamic Perspectives: the Case of Bitcoin".
[43] Haqiem et al., *Konsep Mata Wang Menurut Syariah dan Hubungannya Dengan Mata Wang Kripto*.
[44] Wilujeng, "TINJAUAN HUKUM ISLAM TERHADAP INVESTASI CRYPTOCURRENCY".
[45] Hanafi, "Mengeksplorasi Dampak Inovasi Teknologi Terbaru dalam Investasi Syariah".

Meanwhile, everything that harms and overrides the public interest contradicts *maqashid al-Sari'ah*.

The *maqashid* sharia review will be limited to the theory of *mashlahah* and *mafsadah* seen from cryptocurrency as a commodity, currency, and financial asset. The *maqashid* sharia review will be limited to the theory of *mashlahah* and *mafsadah* seen from cryptocurrency as a commodity, currency, and financial asset. The concept of *mashlahah mursalah*, another idea directly related to *maqashid al-syari'ah*, does not solely rely on human reason. However, *maqashid al-syari'ah* comes from the combination and interaction between revelation and human reason. According to Dusuki, there are four characteristics of *maqashid al-syari'ah*: universal, inclusive, and definitive, and they have become the basis of law in Islam.

Examining Islamic law regarding the validity of the use of cryptocurrencies is found in the primary reference source, namely the Quran, where there are verses in the Quran that can be used to discuss the law of its use. Among the first are Q.S An-Nisa verse 29 and Al-Maidah verse 90. In the Quran, verse 29 in Surah An-Nisa' does not directly mention cryptocurrency or digital currency. However, this verse talks about buying, selling, and trading in Islam in general. The content of this verse conveys legal guidelines on how to transact fairly by not using invalid contracts, which are considered invalid and corrupt. Emphasises the importance of maintaining fairness in trade and business. In the context of cryptocurrencies, the guidelines provided by this paragraph can be applied by ensuring transactions are conducted honestly and fairly between the parties involved. In this regard, the use of cryptocurrencies should adhere to Islamic principles, which should avoid the nature of vanity.

Cryptocurrencies, especially Bitcoin, have an underlying Blockchain technology that allows for faster and more efficient transactions than traditional currency systems, with settlement times that can be as little as one minute. In addition, cryptocurrencies operate without government control, making them a geographically unlimited currency. The blockchain serves as an open and distributed ledger that records all transactions permanently, thus reducing the risk of double spending and fraud. Each transaction can be verified by miners who have a copy of the ledger, increasing transparency. Transaction costs with cryptocurrencies also tend to be lower, especially in international trade, as there are no cross-border fees and third-party intervention. However, behind these strengths, there are significant weaknesses.[46]

Cryptocurrencies are decentralised systems that lack consumer protection, mainly due to limited regulation. This can negatively impact the economy, such as losing government control over the currency if cryptocurrencies dominate. High mining costs are also an issue, especially for cryptocurrencies that use proof-of-work protocols, where miners must invest in expensive equipment and energy. One of the biggest challenges for cryptocurrencies is the extreme price fluctuations, which make it difficult to use as a medium of exchange. This price instability is due to its decentralised nature and lack of regulation, which can reduce public trust. Without legal tender status, cryptocurrencies have no guarantees from governments, so their value and acceptance rely heavily on user consensus. While there are strengths and weaknesses, cryptocurrencies also present opportunities and threats. Opportunities include addressing problems in the current financial system, providing access to unbanked groups, and increasing international trade. However, threats such as potential tax evasion, use for illegal activities, and negative impact on jobs in the banking sector should also be noted. The unregulated existence of cryptocurrencies could reduce tax collection and make it difficult for governments to

[46] A. Ma'sum and M.C. Makky, *Transaksi Kripto Islamicoin Perspektif Hukum Islam (Studi Hasil Putusan Bahtsu Masail Pwnu Jatim Tentang Cryptocurrency)* (2023), https://dspace.uii.ac.id/handle/123456789/46213%0Ahttps://dspace.uii.ac.id/bitstream/handle/123456789/46213/19421079.pdf?sequence=1.

measure economic activity. If cryptocurrencies become a mainstream currency, this could lead to financial losses for users, especially in the event of a security breach or technology failure. Overall, cryptocurrencies have the potential to revolutionise the global economic system but also carry risks that need to be managed. With the increasing adoption of cryptocurrencies, governments and relevant agencies must develop adequate regulations to protect users and ensure economic stability.[47]

10. *Conditions Under Which Cryptocurrencies are Allowed in Islam*

As a perfect religion, Islam has clear rules (manhaj al-Hayat) that regulate all elements in human life sourced from the Qur'an and Hadith. These rules are intended to ensure human happiness and safety in all aspects of themselves, such as the safety of religion, soul, mind, property, and offspring. Cryptocurrency is the same as regular money because it functions as a means of payment for buying and selling goods. However, this halalness must be based on the rule; every transaction in *muamalah* is allowed unless there is evidence that forbids it, then at that time, the law changes to haram. Therefore, money, in general, must meet the criteria and provisions following sharia principles, as will be explained later in this paper.[48]

Another reason money is permissible is the human need for it and its many potential benefits. This matter has become a hot topic among scholars and is almost urgent. As Muslims, we must know the concept of currency that is legalised in Islam for our safety.[49]

The Qur'an is the basis for discussing the law of its use. Regarding currency in Q.S An-Nisa verse 29 and Al-Maidah verse 90, two verses can be used as a means of payment or as an investment asset. Q.S An-Nisa Verse 29 is the fundamental law for the use of currencies that meet the requirements of halalness, in this case, the requirements for cryptocurrencies to be allowed in Islam. In general, the requirements for using currency must be adherence to Islamic principles that must avoid the nature of *batil*. To regulate business transactions, including ensuring that the information provided is clear and correct, there is no element of fraud or price manipulation, and transactions are carried out voluntarily and in agreement between the parties.[50]

The parties involved. In addition, activities that lead to gambling and excessive speculation elements also need to be avoided, such as the prohibition of riba (interest), *gharar* (excessive uncertainty), and *maysir* (gambling). In this case, cryptocurrencies must have clear regulations and adherence to the sharia laws that have been mentioned for the validity of their use.[51]

CONCLUSION

This study's results suggest that cryptocurrencies' legal status in Islam remains a complex debate. However, digital currencies such as Bitcoin offer advantages as decentralised and secure digital assets; their volatile and speculative characteristics present challenges from a sharia perspective.[52]

First, in the fiqh review, money is considered an asset when conducting transactions such as buying and selling goods. This comes from the concept of *al-naqdu*, which includes dirham, money, and cash. In Islam, money changes the value of goods and money by buying or selling them. The process of money transactions involves two main factors: the nature of the transaction (the object of the transaction), the nature of the transaction (how it is

[47] Muklisinalahuddin, *HUKUM CRYPTOCURRENCY SEBAGAI MATA UANG (Studi Komparatif Antara Perspektif Majelis Ulama Indonesia (MUI) dan Darul Uloom Zakariyya Afrika Selatan)* (2022), pp. i–65.

[48] Mabrur, "Cryptocurrency Dalam Kaca Mata Hukum Islam Dan Hukum Negara Indonesia".

[49] Denis Rachmaditya, "Transaksi Cryptocurrency Perspektif Ushul Fiqh", *Mu'amalat: Jurnal Kajian Hukum Ekonomi Syariah*, vol. 15, no. 2 (2023), pp. 145–58.

[50] Kurniawan, Purbowisanti, and ..., "Risks and Investment of Cryptocurrency: an Islamic Approach".

[51] Mardi, "Cryptocurrency Technology of Litecoin for Investment and Business Transactions Based on Islamic Law Perspective".

[52] Khoeri, Ummah, and Lestari, "Cryptocurency dalam Perspektif Hukum Islam".

done), and the nature of the transaction itself. There are different types of transactions, such as using currency (paper and metal) for transactions and cashless transactions, such as credit and debit cards. The development of digital currencies, such as cryptocurrencies, has further complicated the concept of money. Some Islamic scholars argue that using money as a form of money is illegal and unlawful. In contrast, others believe that money from currencies and other assets is necessary for financial transactions.

Second, the elements of *gharar* and *maysir* become a significant problem due to high price volatility, which causes uncertainty and has the potential to cause losses to one of the parties in the transaction. Transactions containing uncertainty and excessive speculation are contrary to sharia principles, which emphasise fairness and transparency. As the Qur'an explains, transactions involving speculation or uncertainty should be avoided.

Third, scholars' views on cryptocurrencies vary. Indonesia Ulema Council (MUI) has issued a fatwa that forbids using cryptocurrencies for payment because they contain elements of usury, gharar, and maysir and are not qualified as *sil'ah* (commodity) in Islam. However, cryptocurrency can be allowed as a digital asset if it meets sharia requirements, such as stability of value, clarity, and clear underlying assets.

Fourth, the *qiyas* method is often used to determine the legal status of cryptocurrencies. Some scholars equate cryptocurrency transactions with transactions involving speculation, which Islam prohibits. However, if cryptocurrencies can be stabilised and regulated following sharia principles, such as having legitimate physical collateral and being supervised by a competent authority, their use could be considered legitimate in Islam.

Fifth, the *maqashid* sharia method shows that harm or *mafsadah* tends to be more than *maslahah*, meaning that problems and conflicts will arise if individual Muslims use cryptocurrency compared to the benefits or blessings they will obtain. This statement can be accepted as what happens today in fiat currencies, where benefits and harms alternate. The balance between *mafsadah* and *maslahah* is essential in strengthening the positive elements while overcoming the weaknesses of cryptocurrency to achieve market stability.

Despite their potential, Cryptocurrencies have many risks, including the potential misuse of national and state currencies. Cryptocurrencies are considered a form of money under Islamic law, as they have characteristics such as *gharar*, *dharar*, qimar, and lack of underlying assets. The Indonesian Islamic Financial Institution (AAOIFI) defines cryptocurrency as a financial instrument regulated by Islamic Financial Institutions (IFIs) and is considered dangerous by some Islamic scholars. Even so, there are still many different definitions of cryptocurrencies among many scholars. In other words, the validity of this cryptocurrency is still a hot topic of debate among Islamic scholars.

This research provides insight that more transparent regulations and Sharia-compliant implementation are urgently needed to provide legal certainty to Muslims who wish to engage in modern digital transactions.

REFERENCES

"UNDANG-UNDANG REPUBLIK INDONESIA NOMOR 7 TAHUN 2011 TENTANG MATA UANG", עלון הנוטע, vol. 66, no. July, 2011, pp. 6–17.

Apriliani, Candrika Arivia, Achmad Irwan Hamzani, and Muhammad Wildan, "Legalitas Transaksi Aset Kripto Menurut Perspektif Hukum Islam", Jurnal Ilmiah Mahasiswa Perbankan Syariah (JIMPA), vol. 3, no. 1, 2023, pp. 113–24 [https://doi.org/10.36908/jimpa.v3i1.161].

Choudhury, Masudull, "Money in Islam", Journal GEEJ, vol. 7, no. 2, 2020.

Fajaruddin, Achmad et al., "THE CONCEPT OF CRYPTOCURRENCY IN ISLAM", FINANSIA : Jurnal Akuntansi dan Perbankan Syariah, vol. 6, no. 1, 2023, pp. 77–88 [https://doi.org/10.32332/finansia.v6i1.6524].

Firmansyah, Ade Lukman et al., CRYPTOCURRENCY DALAM PERSPEKTIF PERMENDAG NO. 99 TH. 2018 DAN HUKUM ISLAM, vol. 4, no. 3, 2024.

Hamin, Dewi, CRYPTO CURRENSI DAN PANDANGAN LEGALITAS MENURUT ISLAM: SEBUAH LITERATURE REVIEW, vol. 2507, no. February, 2020, pp. 1–9.

Hanafi, Akhmad Ilham, "Mengeksplorasi Dampak Inovasi Teknologi Terbaru dalam Investasi Syariah", Religion: Jurnal Agama, Sosial, dan Budaya, vol. 1, 2023, pp. 1316–35, https://doi.org/10.55606/religion.v1i6.830.

Haqiem, Suffian et al., Konsep Mata Wang Menurut Syariah dan Hubungannya Dengan Mata Wang Kripto, vol. 20, no. 1, 2023, pp. 79–95.

Idrus, "Halal Haram Cryptocurrency", Al-Tasyree: Jurnal Bisnis, Keuangan dan Ekonomi Syariah, vol. 13, no. 02, 2021, pp. 113–23 [https://doi.org/10.59833/altasyree.v13i02.300].

Jati, Hardian Satria and Ahmad Arif Zulfikar, "Transaksi Cryptocurrency Perspektif Hukum Ekonomi Syariah", Al-Adalah: Jurnal Hukum dan Politik Islam, vol. 6, no. 2, 2021, pp. 137–48 [https://doi.org/10.35673/ajmpi.v6i2.1616].

Kartikasari, P.D. and M.N.R. Maksum, "Pandangan Ulama Muhammadiyah Terhadap Penggunaan Mata Uang Crypto Sebagai Alat Tukar", … : Indonesian Journal of …, vol. 2, 2024, pp. 761–71, http://journal.csspublishing.com/index.php/ijm/article/view/959%0Ahttp://journal.csspublishing.com/index.php/ijm/article/download/959/729.

Khoeri, Isnal, Ummah, and Ahdiana Yuni Lestari, "Cryptocurency dalam Perspektif Hukum Islam", Ahmad Dahlan Legal Perspektive, vol. 3, no. 2, 2024, pp. 95–107.

Kurniawan, M.R., R. Purbowisanti, and ..., "Risks and Investment of Cryptocurrency: an Islamic Approach", Journal of Islamic …, vol. 1, no. 1, 2023, pp. 1–12, http://thejournalish.com/ojs/index.php/jisben/article/view/418%0Ahttp://thejournalish.com/ojs/index.php/jisben/article/download/418/295.

Lee, David Kuo Chuen, Li Guo, and Yu Wang, "Cryptocurrency: A new investment opportunity?", Journal of Alternative Investments, vol. 20, no. 3, 2018, pp. 16–40 [https://doi.org/10.3905/jai.2018.20.3.016].

Ma'sum, A. and M.C. Makky, Transaksi Kripto Islamicoin Perspektif Hukum Islam (Studi Hasil Putusan Bahtsu Masail Pwnu Jatim Tentang Cryptocurrency), 2023, https://dspace.uii.ac.id/handle/123456789/46213%0Ahttps://dspace.uii.ac.id/bitstream/handle/123456789/46213/19421079.pdf?sequence=1.

Mabrur, Imam, "Cryptocurrency Dalam Kaca Mata Hukum Islam Dan Hukum Negara Indonesia", Islamijah: Journal of Islamic Social Sciences, vol. 4, no. 3, 2023, p. 212 [https://doi.org/10.30821/islamijah.v4i3.13637].

Maman Suryaman and Hasan Bisri, "Prinsip-Prinsip dan Kaidah Dasar Transaksi dalam Sistem Ekonomi Syariah", Al Mashalih - Journal of Islamic Law, vol. 4, no. 1, 2023, pp. 1–8 [https://doi.org/10.59270/mashalih.v4i1.165].

Mardi, Moh, "Cryptocurrency Technology of Litecoin for Investment and Business Transactions Based on Islamic Law Perspective", Syaikhuna: Jurnal Pendidikan dan Pranata Islam, vol. 12, no. 2, 2021, pp. 197–209 [https://doi.org/10.36835/syaikhuna.v12i2.5132].

Meera, Ahmad Kameel Mydin, "Cryptocurrencies From Islamic Perspectives: the Case of Bitcoin", Buletin Ekonomi Moneter dan Perbankan, vol. 20, no. 4, 2018, pp. 475–92 [https://doi.org/10.21098/bemp.v20i4.902].

Muhammad, Ilham and Erna Pamungkas, "Transaksi Cryptocurrency Dalam Perspektif Hukum Islam", Collegium Studiosum Journal, vol. 7, no. 1, 2024, pp. 11–9 [https://doi.org/10.56301/csj.v7i1.1208].

Muklisinalahuddin, HUKUM CRYPTOCURRENCY SEBAGAI MATA UANG (Studi Komparatif Antara Perspektif Majelis Ulama Indonesia (MUI) dan Darul Uloom Zakariyya Afrika Selatan), 2022, pp. i–65.

Rachmaditya, Denis, "Transaksi Cryptocurrency Perspektif Ushul Fiqh", Mu'amalat: Jurnal Kajian Hukum Ekonomi Syariah, vol. 15, no. 2, 2023, pp. 145–58 [https://doi.org/10.20414/mu.v15i2.7496].

Team, ISLAMICOIN, "The Islamic Shariah view on establishing the ' Haqq Chain ' network and the issuance of its currency ' Islamic Coin '", Islamicoin, 2022, https://islamiccoin.net/fatwa?lang=english.

Wilujeng, Anugrah, "TINJAUAN HUKUM ISLAM TERHADAP INVESTASI CRYPTOCURRENCY", AT-TAWASSUTH: Jurnal Ekonomi Islam, vol. VIII, no. I, 2023, pp. 1–19.