
A Normative Analysis of Islamic Law on Cryptocurrency as an Instrument of Modern Financial Transactions

Redi Hadiyanto¹ & Ilmi Ramadhani^{1*}

Universitas Islam Bandung, Indonesia

Corresponding author: ilmiramadhani510@gmail.com

Abstract

The rapid development of financial technology has introduced cryptocurrency as a digital currency innovation built on Blockchain. Its emergence, however, raises fundamental questions regarding its permissibility within Islamic Law. This study aims to examine the legal status of cryptocurrency from a normative Islamic perspective and to provide practical guidance for Muslim users in modern financial transactions. The analysis focuses on the legal standing of cryptocurrency as a medium of exchange in Fiqh Muamalah, the presence of Gharar, Maysir, and riba elements, as well as the application of Sharia principles in its usage. This qualitative study employs a normative legal approach through library research, analyzing primary sources such as the Qur'an, Hadith, classical juristic works, and contemporary fatwas. Data are examined using content analysis and comparative methods based on istinbath reasoning. The findings indicate that the legal status of cryptocurrency remains contested among contemporary scholars. It involves significant gharar, may contain maysir in speculative trading practices, and shows minimal direct riba elements. Cryptocurrency is not inherently prohibited when used for legitimate transactions, provided speculative activities are avoided. The study recommends a precautionary approach and emphasizes the need for clear regulatory frameworks.

Keywords:

Cryptocurrency; Islamic law; Fiqh muamalah; Gharar and maysir; Sharia compliance

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Introduction

The era of the digital revolution has fundamentally changed the global financial landscape, with the arrival of various financial technology innovations that offer more efficient and inclusive payment and investment solutions. One of the most significant innovations in the last decade is cryptocurrency, which was first introduced through Bitcoin in 2009 by Satoshi Nakamoto.¹ Cryptocurrencies are digital currencies that use blockchain and cryptography technology to secure transactions, control the creation of new units, and verify asset transfers without the need for a central authority.² The growth of cryptocurrency market capitalization that reaches trillions of dollars and the growing adoption by financial institutions, multinational corporations, and even some countries as legal tender show that cryptocurrencies are no longer just an experimental technological phenomenon, but have become an integral part of the modern financial

¹ Suhendar and Taufik Nasrullah M.M.S. Si, *Cryptocurrency And Blockchain : Legal Dimensions Of The Global Market* (Publisher of Adab, n.d.), 12.

² LLM and M.M, 2.

system.³ However, amid this euphoria of global adoption, a fundamental question arises for Muslims who adhere to the principles of Islamic economics: is cryptocurrency acceptable within the framework of Islamic law? This question is becoming increasingly urgent given the global Muslim population of nearly 2 billion and the potential market for the Islamic economy projected to reach \$3.8 trillion by 2025. The unclear legal status of cryptocurrencies in an Islamic perspective not only affects individual investment decisions, but also the development strategies of Islamic financial products and regulations in Muslim-majority countries.

Islamic law, otherwise known as sharia, has a comprehensive framework in regulating aspects of human life, including in the field of economics and finance through the branch of fiqh muamalah. Fundamental principles in Islamic economics include the prohibition of riba (interest), gharar (excessive uncertainty), maysir (speculation/gambling), as well as the obligation to maintain fairness and transparency in every transaction. However, the main challenge faced in applying Islamic law to contemporary phenomena such as cryptocurrencies is that the Quran and Hadith as the primary sources of Islamic law do not explicitly address digital technologies and virtual currencies that only emerged more than 1400 years after the decline of Islamic teachings. This requires scholars and fiqh experts to conduct ijihad (legal excavation) using established ushul fiqh methodologies, such as qiyas (analogy), istihsan (legal preference), maslahah (benefit), and sadd al-dzari'ah (closing the path to damage). This ijihad process must consider not only the technical aspects of cryptocurrencies, but also the social, economic, and spiritual impacts they cause. This complexity is further increased by the existence of different types of cryptocurrencies that have different characteristics and functions, ranging from those that function as a medium of exchange, store of value, to those used for smart contracts and decentralized finance (DeFi). This diversity requires a specific and in-depth analysis of each category of cryptocurrencies, rather than a generalization approach that may not be appropriate.

Several previous studies have attempted to analyze cryptocurrencies from the perspective of Islamic law with a variety of different approaches and focuses. The research conducted by Ahmad and Hassan (2019) titled "Islamic Legal Analysis of Bitcoin and Other Cryptocurrencies" focused on the technical aspects of Bitcoin and used a comparative approach with conventional currencies, but the study was limited to one type of cryptocurrency and did not explore in depth the implications of its use in more complex modern transactions. Meanwhile, a study by Zainuddin et al. (2020) titled "Cryptocurrency from Maqasid Shariah Perspective: A Systematic Literature Review" used a maqasid sharia approach to evaluate cryptocurrencies, but the focus was more on a systematic literature review without providing an in-depth empirical

³ Muhammad Albirr Inzal Yazidillah and Bakti Samuel Barus, "A Review Study of the Literature on Cryptocurrency Risk Analysis as a Tool for Investing," *Journal of Social Technology* 3, no. 12 (December 21, 2023): 989–95, <https://doi.org/10.59188/journalsostech.v3i12.1016>.

analysis of the practice of using cryptocurrencies in a real context.⁴ The third study by Al-Nasser (2021) titled “Shariah Compliance of Cryptocurrency: A Fiqh Analysis” analyzes the sharia compliance of cryptocurrencies through a classical fiqh approach, but does not integrate the latest developments in blockchain technology and the variations of cryptocurrencies that have emerged after Bitcoin. The fourth study by Ibrahim and Mirakhor (2022) entitled “Digital Currency and Islamic Finance: Opportunities and Challenges” focuses more on the opportunities for the integration of cryptocurrencies in the Islamic financial system, but lacks a comprehensive analysis of the sharia prohibitions that may be violated. Finally, a study by Fahmi and Rahman (2023) titled “Fatwa Analysis on Cryptocurrency in Muslim Countries” analyzes various fatwas issued by fatwa institutions in various Muslim countries, but does not provide a coherent synthesis or practical recommendations that can be applied universally.

Based on a review of previous studies, there are several significant gaps that need to be filled in the academic literature on cryptocurrencies and Islamic law. First, the majority of previous studies have analyzed cryptocurrencies in general or limited to Bitcoin only, even though the cryptocurrency ecosystem has grown rapidly with the emergence of thousands of types of cryptocurrencies that have very diverse characteristics, functions, and mechanisms, such as stablecoins, utility tokens, security tokens, and non-fungible tokens (NFTs).⁵ Second, the methodological approaches used in previous research tend to be theoretical and normative, without integrating empirical analysis of how cryptocurrencies are actually used in modern financial transaction practices by Muslims.⁶ Third, there are inconsistencies in the application of sharia principles, with some studies focusing on the gharar aspect while others emphasizing the riba or maysir aspect, without providing a holistic analysis that integrates all aspects of the sharia prohibition simultaneously. Fourth, the lack of in-depth analysis of the different contexts of using cryptocurrencies, such as for payments, investments, remittances, or as a hedge against inflation, each of which has different implications of Islamic law.⁷ Fifth, there is a lack of discussion about practical solutions and regulatory recommendations that can facilitate the use of cryptocurrencies in accordance with sharia principles. These gaps show the need for more comprehensive, empirical and applicative research to provide clear guidance for Muslims in this digital era.

⁴ Wartoyo Wartoyo and Alvien Septian Haerisma, “Cryptocurrency in The Perspective of Maqasid Al-Shariah,” *Afkaruna: Indonesian Interdisciplinary Journal of Islamic Studies* 18, no. 1 (July 26, 2022): 110–39, <https://doi.org/10.18196/afkaruna.v18i1.14164>.

⁵ Anton Surya Jaya, Sanusi, and Tiyas Vika Widyastuti, *Legality of Cryptocurrencies in Indonesia* (NEM Publishers, 2022), 64.

⁶ Ihwan Sugiarto, *Introduction To Islamic Economics* (CV. Intake Library, 2025), 51.

⁷ Mawadha Afriza Said and Nurharyati Panigoro Niswatin Niswatin, “Glimpsing the Dynamics of Cryptocurrency Investment in the Perspective of Sharia Accounting,” *SEIKO : Journal of Management & Business* 8, no. 2 (May 12, 2025): 204–18, <https://doi.org/10.37531/sejaman.v8i2.8765>.

In order to fill the research gaps that have been identified, this study aims to conduct a comprehensive and in-depth analysis of the legal status of cryptocurrencies in the perspective of Islamic law, with a special focus on their use in various types of modern financial transactions. The main objective of this research is to develop an integrative and holistic analytical framework to evaluate the sharia compliance of cryptocurrencies by considering all aspects of prohibition in Islam, namely *riba*, *gharar*, and *maysir*, as well as exploring various contexts of the use of cryptocurrencies in contemporary economic practices. Specifically, this study seeks to answer several fundamental research questions: First, what is the position of cryptocurrencies as a medium of exchange, a unit of account, and a store of value in the perspective of the concept of *nuqud* (currency) in classical and contemporary *muamalah fiqh*? Second, to what extent does the use of cryptocurrencies in various types of transactions (payments, investments, trading, staking, lending) contain elements that are prohibited in Islam? Third, how to develop objective criteria and indicators to assess the sharia compliance of different types of cryptocurrencies and their trading platforms? Fourth, what are the practical and regulatory recommendations needed to facilitate the use of cryptocurrencies in accordance with the principles of Islamic law? Fifth, how to integrate blockchain and cryptocurrency technology into the existing Islamic financial ecosystem without compromising the fundamental principles of Islam? This study adopts a mixed-method approach that combines an in-depth textual analysis of Islamic legal sources with an empirical analysis of the practice of using cryptocurrencies among Muslims.

This research is expected to make a significant contribution in several dimensions, both from theoretical, methodological, and practical aspects. In terms of theoretical contributions, this research will develop a new conceptual framework for the analysis of Islamic law on financial technology innovations that can be applied not only to cryptocurrencies but also to other fintech innovations in the future. This framework will integrate the principles of classical *muamalah fiqh* with contemporary understanding of digital technology, so that it can be a reference for future research in the field of Islamic fintech. From a methodological aspect, this research will introduce a more comprehensive and systematic analytical approach in evaluating the sharia compliance of digital financial products, by developing objective and measurable indicators and metrics. In practice, the results of this research will provide clear and actionable guidance for various stakeholders: first, for individual Muslims who want to use cryptocurrencies while still adhering to religious teachings; second, for Islamic financial institutions who want to integrate cryptocurrencies in their products and services; third, for regulators and policymakers to develop regulatory frameworks that accommodate sharia principles; and fourth, for blockchain and cryptocurrency technology developers in designing sharia-compliant platforms. The significance of this research is increasing given the projected rapid growth of the Islamic digital economy and the potential of cryptocurrencies to support financial inclusion for

Muslim populations who are still unbanked or underbanked. By providing clarity on aspects of Islamic law, this research is expected to accelerate the responsible adoption of cryptocurrency technology in the global Islamic financial ecosystem, while ensuring that technological innovation does not sacrifice fundamental values and principles in Islam.

This research uses a qualitative approach with a normative legal research design combined with a hermeneutic approach to analyze and interpret Islamic legal texts in the context of cryptocurrency use. The qualitative approach was chosen because of the nature of the research that aims to understand and interpret the profound meaning of the principles of Islamic law in the face of contemporary financial technology phenomena. The normative legal research design is used to examine the norms of Islamic law contained in the Quran, Hadith, and fiqh works related to financial transactions and currencies. The hermeneutic approach is applied to understand the historical and social context of classical texts and adapt them to the realities of modern technology.⁸

The primary data of this study consists of the Quran, the Hadith of the Prophet Muhammad PBUH, ijma ulama, and qiyas related to financial transactions, trade, and currency concepts in Islam, especially those that regulate the prohibition of riba, gharar, and maysir. Secondary data includes classic muqah fiqh books from various madhhabs, works of contemporary scholars on modern Islamic economics, official fatwas issued by international and national religious authority institutions such as the Islamic Fiqh Academy, MUI, and other fatwa institutions of Muslim countries. In addition, the study also uses international academic journals that discuss Islamic finance and cryptocurrencies, as well as technical documents on blockchain technology to understand the characteristics and operational mechanisms of cryptocurrencies.

Data collection was carried out through a comprehensive literature study using a systematic literature review approach.⁹ Literature search was carried out through academic databases such as Scopus, Web of Science, ProQuest, JSTOR, and special Islamic studies databases such as Index Islamicus. The collection of Islamic legal texts was carried out from authentic sources such as Maktabah Shamilah, Al-Maktabah al-Waqfiyyah, and the digital collections of libraries of leading Islamic institutions. Documentation of contemporary fatwas was obtained through the official websites of fatwa institutions and available digital archives. Document analysis was carried out on various types of Islamic legal documents and literature related to cryptocurrencies, including in-depth textual analysis of Quranic verses and relevant hadiths, comparative study of the opinions of scholars from various madhhabs, and content analysis of contemporary fatwas.

⁸ Hani Zahrani and Rubini, "Hermeneutic Approaches in Islamic Studies," *SALIHA: Journal of Islamic Education* 6, no. 2 (July 25, 2023): 171–96, <https://doi.org/10.54396/saliha.v6i2.662>.

⁹ Rusdin Tahir et al., *HUMAN RESOURCES RESEARCH METHODS : A Comprehensive Guide* (PT. Sonpedia Publishing Indonesia, 2023), 170.

Data analysis is carried out through three main approaches. First, content analysis is carried out qualitatively with a deductive-inductive approach to identify the main themes, legal categories, and argumentation patterns in Islamic legal sources. This process includes systematic coding of texts based on Islamic legal categories, thematic analysis to identify the main themes, and comparative analysis to compare various scholarly opinions. Second, hermeneutic analysis is used to interpret Islamic legal texts in a contemporary context by considering the historical context, sharia maqasid, masalah and mafsadah, as well as the principle of *la darar wa la dirar* in modern financial technology.¹⁰ Third, the *istinbath* method is carried out using the methodology of *ushul fiqh* including *qiyas* by comparing cryptocurrencies with existing financial instruments, *istihsan* in choosing the most relevant opinions, *masalah mursalah* in assessing socio-economic impacts, *sadd al-dzari'ah* in anticipating negative effects, and *istishab* in maintaining established basic principles.

Results and Discussion

The Position of Cryptocurrency as a Currency in the Perspective of Fiqh Muamalah

An analysis of the position of cryptocurrencies as a currency from the perspective of *muamalah fiqh* reveals significant complexity in determining its legal status. The concept of *nuqud* or currency in classical *fiqh* literature refers to a medium of exchange that has three main functions: medium of exchange, unit of account, and store of value.¹¹ Cryptocurrencies, especially Bitcoin and other digital currencies, meet some of these criteria but with different characteristics than conventional currencies. Classical scholars such as Imam al-Ghazali and Ibn Khaldun have established that currencies must have value stability, be generally accepted, and be easily transferable.¹² Cryptocurrencies meet the criteria of ease of transfer and in some cases are beginning to be widely accepted, but extreme volatility is a major challenge in meeting the criteria of value stability.¹³ This volatility not only affects the functioning of cryptocurrencies as a stable unit of account, but also creates uncertainty in transactions that potentially violate the principle of fairness in exchanges.

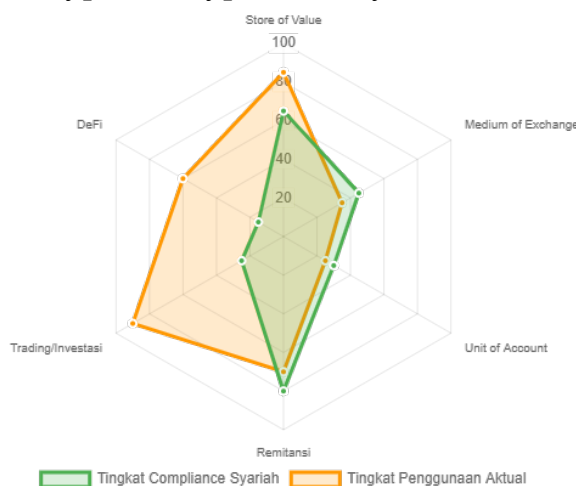
¹⁰ Fattah et al., *Fintech in Islamic Finance: Theory and Practice* (Publica Indonesia Utama, 2022), 169.

¹¹ Alain G. Anderton, *Economics* (Pearson Education India, 1995), 552.

¹² Yusuf Sodikhul Anwar et al., "The Concept and Theory of Money According to Ibn Khaldun," *MONEY: Journal of Fiscal and Monetary Studies* 1, no. 1 (May 29, 2025): 19–30.

¹³ Syahrul Sajidin, "LEGALITY OF THE USE OF CRYPTOCURRENCY AS A MEANS OF PAYMENT IN INDONESIA," *Legal Arena* 14, no. 2 (August 31, 2021): 245–67, <https://doi.org/10.21776/ub.arenahukum.2021.01402.3>.

Graph 1. Types of Cryptocurrency Activities in Islam



Source : Analysis of Various Fatwas of Contemporary Scholars

Gharar's Analysis in the Cryptocurrency Ecosystem

The concept of gharar or excessive uncertainty in transactions is one of the most controversial aspects of Islamic legal discussions about cryptocurrencies. Gharar in the context of cryptocurrencies manifests itself in multidimensional, including value uncertainty, technological uncertainty, and regulatory uncertainty. Value uncertainty is reflected in extreme and unpredictable price fluctuations, where the value of cryptocurrencies can change drastically in a short period of time without any obvious fundamental factors.¹⁴ Technological uncertainty arises from technical risks such as bugs in smart contracts, cyberattacks, or blockchain system failures that can lead to permanent losses. Meanwhile, regulatory uncertainty creates legal risks where the legal status of cryptocurrencies can change at any time in various jurisdictions. However, not all forms of uncertainty in cryptocurrencies can be categorized as gharar fahisy which is prohibited in Islam. Contemporary scholars such as Dr. Muhammad Taqi Usmani distinguish between gharar inherent in the nature of assets and gharar that can be mitigated through proper due diligence and risk management.

Maysir's Dimension in Cryptocurrency Trading Activities

The aspect of maysir or speculation in cryptocurrency trading activities requires in-depth analysis because it intersects with the thin line between legitimate investment and gambling that is prohibited in Islam. Cryptocurrency trading that is carried out based on fundamental and technical analysis with a reasonable time horizon can be categorized as a legitimate investment activity. On the other hand, excessive day trading activities, excessive use of leverage, or trading based solely on market rumors and sentiment tend to fall into the category of maysir because it resembles gambling.

¹⁴ Ahmad Junaidi C.DMS. E. , M. M. , C. FTAX , CFR , CIAP , CPMSA and Sunarmin CPA S. E. , M. Ak , Ak , CA , Asean, *Digital Finance Investment Strategy and Planning in the 4.0 Era* (Takaza Innovatix Labs, 2024), 37.

The characteristics of maysir in cryptocurrency trading become more evident when traders rely on luck rather than knowledge and analysis, use borrowed money to trade, or engage in pump and dump schemes. Contemporary scholars such as Dr. Yusuf al-Qaradawi emphasize that the intention and approach in trading are the determining factors in assessing whether the activity is a prohibited investment or speculation. The use of cryptocurrencies for the purpose of hedging against inflation or portfolio diversification with proper risk management is generally not categorized as maysir.¹⁵

Evaluation of the Element of Riba in Cryptocurrency Transactions

Analysis of the existence of usury elements in cryptocurrency transactions shows different complexities compared to conventional financial instruments. Cryptocurrencies in their original form do not generate interest or fixed returns like deposits or bonds, so they are not directly subject to the prohibition of usury. However, the development of the DeFi ecosystem has introduced various products that have the potential to contain usury such as crypto lending, staking rewards, and yield farming.¹⁶ Cryptocurrency lending activities with fixed returns promised in advance clearly contain elements of usury because they meet the criteria of qard that generate benefits for lenders. Staking in proof-of-stake cryptocurrencies has different characteristics because the rewards earned are compensation for participation in network transaction validation, not interest on the loan. However, some scholars argue that staking carried out through third-party services that promise fixed returns can be categorized as riba because it resembles interest-bearing deposits. Yield farming and liquidity mining that provide high returns with the risk of impermanent losses also need to be studied more deeply due to the complexity of the contract structure.

Implementation of Maqasid Sharia Principles in Cryptocurrency Adoption

The application of the sharia maqasid framework in evaluating cryptocurrencies provides a holistic perspective that goes beyond the technical analysis of traditional fiqh. From the aspect of hifz al-mal or property protection, cryptocurrencies can make a positive contribution through financial inclusion for populations that do not have access to conventional banking systems, especially in developing countries with limited financial infrastructure. The blockchain technology underlying cryptocurrencies also offers transparency and immutability that is in line with the principles of justice in Islam. However, high volatility and the risk of asset loss due to technical factors can be contrary to the purpose of wealth protection. From the perspective of hifz al-aql or the protection of reason, the complexity of cryptocurrency technology demands a high level of digital literacy, thus potentially harming less sophisticated investors.¹⁷ The aspect of hifz al-nasl or hereditary protection is related

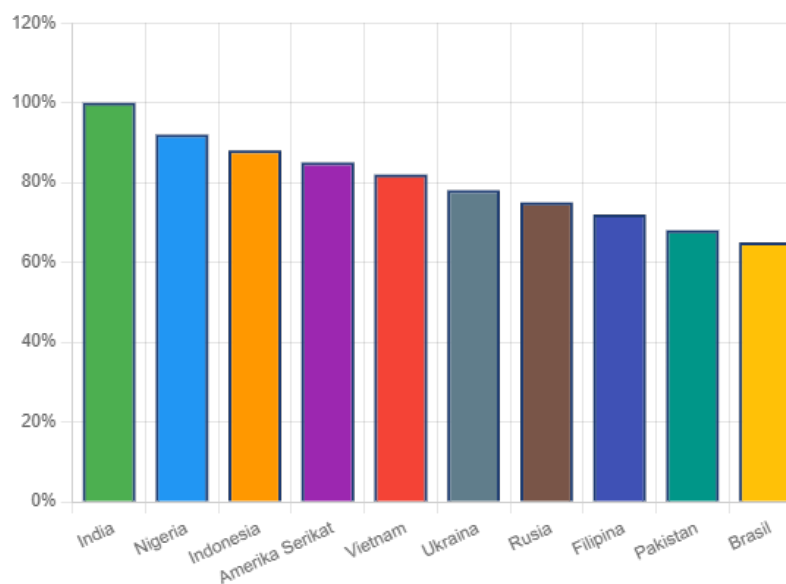
¹⁵ "CHAPTER II.Pdf," accessed June 17, 2025, <https://eprint.unipma.ac.id/2507/4/BAB%20II.pdf>.

¹⁶ Ethan Rodriguez and AI, *DeFi Lending* (Publifye AS, 2025).

¹⁷ Ir Rudy C Tarumingkeng, "Blockchain and Cryptocurrency: The Future of the Digital Economy," n.d.

to environmental sustainability, where some cryptocurrencies such as Bitcoin consume a huge amount of energy in the mining process. The evaluation of sharia maqasid should also consider broader social impacts, including the potential for cryptocurrencies to facilitate illegal or money laundering activities that are contrary to hifz al-din and hifz al-nafs.

Chart 2. Top 10 Countries with the Highest Crypto Adoption 2024

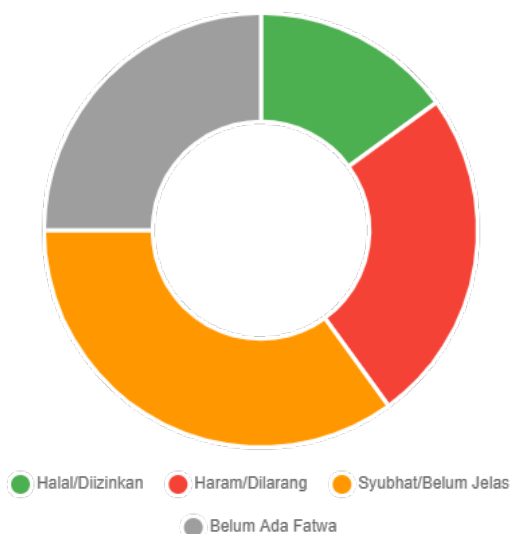


Source : Chainalysis Global Crypto Adoption Index 2024, Geography of Cryptocurrency Report

Sharia-Compliant Stablecoins and Cryptocurrency Solutions

The development of stablecoins as a category of cryptocurrencies designed to minimize volatility offers a potential solution to some of the sharia problems that exist in traditional cryptocurrencies. Stablecoins backed by real assets such as gold, commodities, or real estate have characteristics that are closer to the concept of currencies in classical fiqh because of the value of bonds on tangible underlying assets. Value stabilization mechanisms through collateralization with sharia-compliant assets can reduce excessive gharar elements. However, not all stablecoins can be categorized as sharia-compliant as some use complex algorithmic mechanisms or are backed by interest-based instruments. The development of Islamic stablecoins that use sharia principles in the structure of their underlying assets and stabilization mechanisms is a promising area of innovation. In addition, the implementation of smart contracts that integrate sharia-compliance checking can ensure that every cryptocurrency transaction meets halal criteria automatically. The concept of tokenizing sharia assets such as sukuk, real estate, or halal commodities through blockchain technology also opens up opportunities for the development of cryptocurrencies that are fully compliant with Islamic law.

Chart 1. Status of Cryptocurrency Fatwa in Muslim Countries



Source : Compilation of fatwas from the OIC Islamic Fiqh Academy

Regulation and Governance in the Context of Sharia

The regulatory and governance aspects are crucial factors in determining the halalness of cryptocurrencies because they relate to the principles of obedience to *ulil amri* and maintaining the public interest.¹⁸ Cryptocurrencies that operate in the gray area of law or even violate the applicable regulations in a country can be problematic from a sharia perspective because they are contrary to the principle of obeying legitimate rulers. However, the absence of clear regulations in many countries creates a dilemma for Muslims who want to use cryptocurrencies. The development of a regulatory framework that accommodates sharia principles is an urgent need, including the standardization of sharia-compliance criteria for various types of cryptocurrencies and their trading platforms. The role of international fatwa institutions in developing consistent guidance and harmonization of fatwas between countries is also very important.¹⁹ Self-regulatory organizations in the cryptocurrency industry that adopt Islamic governance principles can help create a more sharia-compliant ecosystem. Sharia implementation of audits and monitoring of cryptocurrency exchanges and wallet providers is also needed to ensure continued compliance.

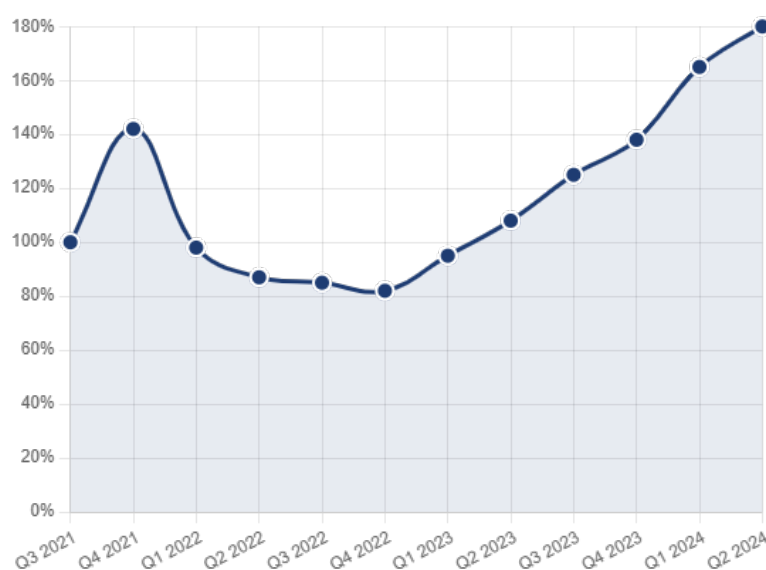
Social and Economic Implications of Cryptocurrency Adoption in Muslim Society

¹⁸ Mawadha Afriza Said and Nurharyati Panigoro Niswatin Niswatin, "Glimpsing the Dynamics of Cryptocurrency Investment in the Perspective of Sharia Accounting," *SEIKO : Journal of Management & Business* 8, no. 2 (May 12, 2025): 204–18, <https://doi.org/10.37531/sejaman.v8i2.8765>.

¹⁹ Rahmad Lubis et al., "THE ROLE OF DSN MUI FATWA IN ADJUSTING THE PRACTICE OF MURABAHAH CONTRACTS IN SHARIA BANKS: AN ISLAMIC ECONOMIC LEGAL PERSPECTIVE," *An Anna* 4, no. 2 (2024): 227–40, <https://doi.org/10.55252/annawawi.v4i2.69>.

The adoption of cryptocurrencies in Muslim societies has broad social and economic implications that need to be considered in the context of sharia maqasid. In terms of positive impact, cryptocurrencies can increase financial inclusion, reduce remittance costs for Muslim migrant workers, and facilitate international trade without relying on conventional interest-based financial systems.²⁰ Blockchain technology can also increase transparency in the management of zakat and waqf, as well as facilitate charitable giving with more accurate tracking.²¹ However, there are risks of negative externalities such as excessive energy consumption of some cryptocurrencies, the potential to facilitate illegal activities, and create excessive wealth inequality. The volatility of cryptocurrencies can also create financial instability for individuals and families who are less sophisticated in risk management.²² From a macroeconomic perspective, the mass adoption of cryptocurrencies can affect monetary policy and financial stability, which needs to be evaluated in the context of general math. Educational initiatives to improve Islamic fintech literacy are essential to ensure that cryptocurrency adoption is carried out with a proper understanding of risks and compliance requirements.

Chart 3. Global Crypto Adoption Growth 2021-2024



Source : Chainalysis Global Crypto Adoption Index, quarterly analysis Q3 2021 - Q2 2024

Conclusion

This research resulted in a comprehensive finding that the legal status of cryptocurrencies in an Islamic perspective is multidimensional and cannot be

²⁰ Aresta Stenly Susanto et al., *Cryptocurrency Era 5.0: The Digital Finance Revolution* (SIEGA Publisher, 2025).

²¹ Darmawan, *Management of Islamic Financial Institutions* (Bumi Aksara, 2025), 201.

²² Ety Sri Wahyuni and Dorris Yadewani, *Financial Planning* (Serasi Media Technology, 2024), 122.

universally generalized.²³ An in-depth analysis of the principles of muamalah fiqh shows that cryptocurrencies have the potential to be accepted within the framework of Islamic law under certain conditions, but their application is highly dependent on the type of cryptocurrency, the context of use, and the transaction mechanism applied. The main findings reveal that stablecoins backed by halal real assets and cryptocurrencies used for long-term payment and investment purposes with proper risk management tend to be more compliant with sharia principles compared to speculative day trading activities or DeFi products that contain explicit elements of usury. The theoretical contribution of this research lies in the development of an integrative analytical framework that combines the methodology of classical ushul fiqh with a contemporary understanding of blockchain technology, while its practical contribution provides real guidance for stakeholders in the Islamic financial ecosystem to adopt cryptocurrencies responsibly. A significant implication of this research is the need for the harmonization of international fatwas and the development of a regulatory framework that accommodates sharia principles to create a sustainable and inclusive cryptocurrency ecosystem for the global Muslim population. The implementation of sharia maqasid principles in cryptocurrency evaluation also opens up a new perspective that digital financial technology can be an instrument to achieve sharia goals such as financial inclusion and social justice, as long as it is designed and implemented with proper governance.

Although this study provides a comprehensive analysis, there are some limitations that need to be acknowledged and serve as a basis for future research. The main limitation lies in the predominantly theoretical-normative nature of the research without empirical validation through concrete case studies or surveys of the actual practice of using cryptocurrencies among Muslims. Further research needs to integrate a mixed-method approach with field research to understand the behavioral patterns and decision-making processes of Muslims in adopting cryptocurrencies. Areas that still require in-depth exploration include sharia compliance analysis of emerging technologies such as DeFi protocols, NFTs, and Central Bank Digital Currencies (CBDCs), as well as the development of a standardized sharia audit framework for cryptocurrency exchanges and wallet providers. Recommendations for future research include the development of a specially designed Islamic cryptocurrency with built-in sharia compliance mechanisms, an empirical study of the socio-economic impact of cryptocurrency adoption in the Muslim community, and a comparative study of the implementation of cryptocurrency regulations in Muslim-majority countries. The long-term benefits of this research are expected to facilitate the integration of blockchain technology in the global Islamic financial ecosystem, increase the financial literacy of

²³ Adelia Dara Sasra and Baidhowi B, "Analysis of the Concept of Cryptocurrency Transactions in the Perspective of Sharia Economic Law," *Media Legal Indonesia (MHI)* 3, no. 3 (June 8, 2025), <https://ojs.daarulhuda.or.id/index.php/MHI/article/view/1612>.

Muslims towards technological innovations, and become a reference for policymakers in developing inclusive financial regulations that respect religious values while encouraging innovation and economic growth in the digital economy era.

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