



Crypto Currency Trading in Islam: An Attempt to Explore the Law amidst Technological Advances

Imam Sujono¹, Muhammad Habibur Rochman², Abdulloh Afifil Mu'ala³

^{1,2,3} Sekolah Tinggi Agama Islam Taruna Surabaya, Indonesia

Corresponding Email: ¹imamsujono@staitaruna.ac.id

Received: 21-01- 2025 Reviewed: 25-02-2025 Accepted: 20-04-2025

Abstract

This study aims to find out how the crypto trading law and the status of money generated from the trading results. This study uses a normative legal method with a descriptive analysis approach. Legal materials are obtained from the *Bahtsul Masail* decision of PWNU East Java, *Bahtsul Masail* with PWNU in Yogyakarta, and *Bahtsul Masail* Islamic Law Firm. The results of the study show that trading crypto is permitted by Islamic law as long as there is no *gharar*. This study implies that people who trade crypto must have sufficient knowledge about crypto currency.

Keywords: Crypto Currency, Trading, Islamic Law, Technological Advances

Introduction

Crypto currency, or cryptocurrency is a form of digital money that uses cryptographic technology for security and transaction management (Siregar et al., 2023). Bitcoin, launched in 2009 by an individual or group under the pseudonym Satoshi Nakamoto, was the first successful crypto currency. Since then, thousands of other crypto currencies have emerged, such as Ethereum, Ripple, and Litecoin. (Billah, 2022)

Crypto currencies were created to provide a decentralized alternative to the traditional banking system, allowing peer-to-peer transactions without intermediaries (Anisa et al., 2023). Blockchain, the technology behind crypto currencies, ensures that every transaction is recorded transparently and securely.

In addition, crypto currency is not yet generally accepted as a legitimate medium of exchange worldwide. Some scholars, as stated by the Indonesian Ulema Council (MUI), state that the use of crypto currency as a means of payment is haram because it contains elements of *gharar* and does not meet the requirements recognized in the *fiqh* literature on money (*naqd*). (Kusuma et al., 2020)

Currently, crypto trading is increasingly popular among the public. Along with the development of technology, many people have started investing in crypto currency (Jati & Zulfikar, 2021a). However, like other investments, crypto trading can bring profits, but it is also not uncommon to risk losses. This makes some people feel that crypto trading is similar to gambling (Jubaedah et al., 2022). So, what is the law on crypto trading according to Islam?

What is the status of money obtained from crypto trading? This study aims to find out what the law on crypto trading is and the status of money generated from the results of the trading.

Literature Review

Research on "Islamic Finance & Crypto currency" through a qualitative bibliometric analysis of 40 journal articles from the Scopus database. It identifies four key research clusters and highlights topics such as blockchain adoption in Islamic finance and the implications of Islamic law on crypto currency. (Rusydiana, 2025)

This research examines the buying and selling of crypto shares from the perspective of *muamalah fiqh*, addressing the legal and regulatory debates surrounding crypto currencies in Islamic law. Utilizing a qualitative library research method, the study aims to clarify the legal provisions of crypto according to scholars, providing insights for crypto users and the general public. (Genda et al., 2024)

The research discusses the historical development of crypto currency, starting from early computing innovations to the emergence of Bitcoin in 2009, highlighting the role of cryptography and blockchain technology. It also notes ongoing debates among Muslims in Indonesia regarding the use of crypto currency due to concerns about asset value volatility. (Idrus, 2021)

Research methods

This research is qualitative and uses a normative legal method with a descriptive analysis approach (Benuf et al., 2020). Legal materials are obtained from *Bahtsul Masail* decision of PWNU East Java, *Bahtsul Masail* with PWNU in Yogyakarta, and *Bahtsul Masail* Islamic Law Firm decision. The problem is presented, and then analyzed. In the final stage, the results of the analysis of the legal materials are stated in the conclusion.

Result and Discussion

What is Crypto Trading?

In simple terms, crypto trading is the activity of buying and selling crypto assets, such as Bitcoin, Ethereum, or other crypto assets through a platform called a crypto exchange (Sawitri, 2021). This activity takes advantage of the price fluctuations of crypto assets to make a profit. It should be noted that crypto trading and investing are two different things (Siregar et al., 2023). If crypto investment focuses on the growth of the asset's value in the long term, then crypto trading involves buying and selling assets in a shorter period, such as hours, minutes, or days, to profit from price fluctuations. (Alifia, 2023)

How Crypto Trading Works

The way crypto trading works is the same as stock trading, crypto trading also uses technical analysis to predict price movements (Ramhormozi et al., 2021). This analysis involves the use of charts and indicators to identify price trends and patterns, so that traders can make the right

buy or sell decisions (Qaruty, 2021). Crypto trading has a high risk because the price of crypto assets is very volatile. Therefore, traders need to have a good understanding of the crypto market and an effective trading strategy before starting trading activities (Abadi et al., 2023). The issue of crypto trading has been discussed in several Bahtsul Masail forums with varying results. Some prohibit the practice of crypto trading, while others allow it. (Fajaruddin et al., 2023)

Crypto Trading Law in the Perspective of Bahtsul Masail NU

1. Decision of the Bahtsul Masail PWNU East Java (10/24/2021)

Among the discussions on cryptocurrency trading in the Bahtsul Masail in the NU environment is the Decision of the Bahtsul Masail of the East Java Nahdlatul Ulama Regional Management (PWNU), which took place on Sunday (10/24/2021) in order to enliven Santri Day 2021 at the PWNU East Java office, Jalan Masjid Al-Akbar Timur 9 Surabaya. In discussing cryptocurrency assets as commodities or goods that are legal to be bought and sold, the PWNU East Java decided that crypto is a fictitious asset that is not legal to be bought and sold. Cryptocurrency cannot be called an asset or goods that are legal to be bought and sold because the definition of 'goods' as an object that can be bought and sold must include 2 provisions, namely:

- a. in the form of *'ain musyahadah* (physical goods), or
- b. in the form of *syai-in maushuf fid dzimmah* (goods guaranteed by assets).

Including assets that can be used as collateral for these goods, are assets consisting of 'ain (material), dain (debt) and fi'lin (work, services/manafi' and rights). Sheikh Al-Khathib As-Syirbini explained:

الْبَيْعُ ثَلَاثَةٌ أَشْيَاءُ (أَيُّ أَنْوَاعٍ بَلَّ أَرْبَعَةٌ كَمَا سَيَأْتِي. الْأَوَّلُ. (بَيْعٌ عَيْنٍ مُشَاهِدَةً) أَيُّ مَرْنِيَّةٍ لِلْمُبَاعِ عَيْنَيْنِ (فَجَانِزٍ) لِنَفْسٍ أَوْ
الْعَرَرِ. (وَالثَّانِي (بَيْعُ شَيْءٍ) صَحِّحُ السَّلْمِ ۖ فِيهِ (مَوْصُوفٍ فِي الذِّمَّةِ

This means, "*Buying and selling are three matters or three types, in one face there are 4 types. First: buying and selling physical goods that can be witnessed by two people who are competing to make a contract, then the law is permissible because there is no gharar (fraud). Second, buying and selling something whose characteristics can be shown and guaranteed.*" (Hasyiyah Al-Bujairimi 'ala Khathib, [Beirut, Darul Kutub Al-'Ilmiyah: 2015], volume III, page 4).

Therefore, all cryptocurrency assets such as Bitcoin, Ethereum, Polkadot, and Tether do not meet the category *as sil'ah* (commodity) according to fiqh, because they do not fall into the category of *'ain musyahadah* or the category of *syai-in maushuf fid dzimmah* (Kusuma, 2020). Thus, cryptocurrency does not have the potential to be transferred according to hissan (sensory) and sharia. Cryptocurrency is included in *ma'dum* (fictitious) assets (Setya Negara, 2023). That is why, the *mubahitsin* concluded that cryptocurrency does not meet the standards of *sil'ah* (commodity) according to *sharia*. Therefore, trading cryptocurrency is not allowed (*ghairu jaizin*). Bahtsul masail also recommends that

Muslims, especially *Nahdliyyin*, in their transactions, should be careful and always aim to find what is halal. (Meriyati et al., 2023)

2. Decision of Bahtsul Masail PWNU DIY (11/21/2021)

PWNU DIY produced the PWNU DIY Bahtsul Masail Formulation on crypto which took place on Sunday, (11/21, 2021) at PPM Al-Hadi Yogyakarta. Bahtsul masail stated that cryptocurrency is a means of exchange that is permitted in Islam.

In full, the formulation states:

- a. Economics is part of the realm of Islamic law that is dynamic (*an-nadzar ila al-ma'ani*). The development of digital technology has an impact on changes in the means of exchange, the form of commodities, and transaction patterns (Khan & Zamin, 2018). Islamic law does not regulate the type of means of exchange that must be used. In Islamic law, the type of means of exchange follows the customs of a community (*'urf*) (Maljichi, 2018). Cryptocurrency is the offspring of digital technology transformation whose use is increasingly extensive (Nugroho, 2023). As a medium of exchange or as a commodity, cryptocurrency is permitted in Islamic law (Amany et al., 2022). Crypto fulfills the requirements both as a medium of exchange (*al-tsaman*) and as a commodity (*al-mutsman*) including, having benefits (*muntafa'*), can be transferred (*maqdur 'ala taslimih*), and can be accessed by type and nature by both parties (*ma'luman lil 'aqidain*). This excludes various variants of cryptocurrency that do not fulfill some of these requirements. (A Wahid et al., 2023)
- b. As explained by blockchain practitioners and experts, the assumption of elements of danger and risk due to uncertainty (*gharar*) and gambling (*qimar*) is not found in crypto currency transactions (Tugushev, 2023). Price fluctuations follow market laws (supply and demand) which are permitted by Islamic law. With blockchain digital technology and cryptography, it also has a high level of security, able to avoid fraud and manipulation. Cryptocurrency has been proven to operate for a long time and has survived until now. (Lateh & Rejab, 2021)
- c. As the growth of cryptocurrencies in the world is increasingly extensive, the Indonesian government must create regulations that govern cryptocurrencies as a means of exchange (*al-tsaman*) and commodity (*al-mutsman*) in Indonesia. (Idrus, 2021)

3. Bahtsul Masail Islamic Law Firm (ILF) on Saturday (19/6/2021)

Islamic Law Firm (ILF) initiated a discussion on crypto currency by presenting several experts. Among those present were the Caretaker of Sukorejo Islamic Boarding School KH Afifuddin Muhajir, the Caretaker of Al-Anwar Sarang Islamic Boarding School KH Abdul Ghofur Maimun, and the Deputy Chairperson of LBM PBNU KH Abdul Moqsith Ghazali.

Bahtsul Masail produces the following conclusions:

- a. Crypto assets are wealth (*mal*) according to Islamic jurisprudence. So the crypto assets we are talking about are wealth from the perspective of Islamic jurisprudence. The meaning is that if this wealth is stolen, then it must be sanctioned for theft, if it is damaged, then it must be replaced. (Islam et al., 2018)

- b. Because crypto is wealth, it is permissible to exchange as long as there is no gharar (uncertainty). Why was this decided? Because there are differences of opinion among the *musyawirin* (formulating scholars) on whether crypto currency transactions involve gharar or not. Some say that crypto currency involves gharar, while others say that crypto currency does not involve gharar. The nature of gharar is debatable, this is because people see it from their perspectives. However, the scholars of *Bahtsul Masail* agree that crypto transactions must be free of gharar, only regarding this matter the scholars have different opinions. So, if those who say that there is gharar in cryptocurrency, then it is not permitted. For those who say that there is no gharar, as is also supported by the scholars of *Bahtsul Masail*, then cryptocurrency is permissible to exchange. (Safira & Rofiq, 2023)
- c. Appealing to the public not to easily carry out this transaction, if they do not know about crypto currency.
- d. Encourage the government to create strict regulations to avoid misuse and deviation of crypto transactions.

These are some of the views of the *Bahtsul Masail* NU forum that has discussed crypto. Based on the explanation above, this difference of opinion is based on different points of view in assessing crypto itself, whether the transaction is considered safe or considered worrying.

Conclusion

Some scholars say that crypto currency has *gharar*, others say that crypto currency does not have *gharar*. The nature of gharar is debatable, this is because people see it from their perspectives. However, scholars of *Bahtsul Masail* agree that crypto transactions must be free of *gharar*, only that scholars have different opinions regarding this matter. So, if someone says that there is *gharar* in crypto currency, then it is not permitted. For those who say that there is no *gharar*, as also supported by scholars *Bahtsul Masail*, then crypto currency can be exchanged.

References

- A Wahid, N., Amanatillah, D., & Fitri, C. D. (2023). From Fiqh to Finance: Assessing Bitcoin Status in Indonesian Monetary System. *Share: Jurnal Ekonomi Dan Keuangan Islam*, 12(2). <https://doi.org/10.22373/share.v12i2.17762>
- Abadi, K., Ahmad Taufiq, & Rizka Roikhana. (2023). Cryptocurrency and Crypto Assets in the Perspective of Islamic Legal System Philosophy. *Hikmatuna : Journal for Integrative Islamic Studies*, 9(2). <https://doi.org/10.28918/hikmatuna.v9i2.1216>
- Alifia, A. N. (2023). THE LAW OF TRANSACTIONS OF VIRTUAL LAND SALE AND PURCHASE IN METAVERSE FROM THE PERSPECTIVE OF FIQH MU'AMALAH. *Journal of Indonesian Comparative of Syari'ah Law*, 6(1). <https://doi.org/10.21111/jicl.v6i1.9865>
- Amany, A. N., Putri, F., & Pratama, B. C. (2022). Risks of Cryptocurrency Investment from the Perspective of Sharia Economic Law. *Proceedings Series on Social Sciences & Humanities*, 7. <https://doi.org/10.30595/pssh.v7i.465>

Crypto Currency Trading in Islam: An Attempt to Explore the Law amidst Technological Advances - Imam Sujono, Muhammad Habibur Rochman, Abdulloh Afifil Mu'ala

- Anisa, D., Anggraini, T., & Tambunan, K. (2023). ANALISIS CRYPTOCURRENCY SEBAGAI ALAT ALTERNATIF BERINVESTASI DI INDONESIA. *Owner*, 7(3). <https://doi.org/10.33395/owner.v7i3.1698>
- Benuf, K., Mahmudah, S., & Priyono, E. A. (2020). Metodologi Penelitian Hukum sebagai Instrumen Mengurai Permasalahan Hukum Kontemporer. *Jurnal Gema Keadilan*, 7(1).
- Billah, M. M. (2022). Crypto-Currency Operation and its Islamic Prospective. *Journal of Islamic Banking & Finance*, 39(2).
- Fajaruddin, A., Azizy, D. F., Parojai, M. R. P., Husni, I. S., & Tambusai, M. K. (2023). THE CONCEPT OF CRYPTOCURRENCY IN ISLAM. *FINANSIA : Jurnal Akuntansi Dan Perbankan Syariah*, 6(1). <https://doi.org/10.32332/finansia.v6i1.6524>
- Genda, S. A., Jasmin, S. P., & Sari, M. (2024). JUAL BELI SAHAM CRYPTO DALAM PERSPEKTIF FIQH MUAMALAH. *Jurnal Al-Kharaj Studi Ekonomi Syariah Muamalah Dan Hukum Ekonomi*, 4(1), 52–65. <https://doi.org/10.30863/alkharaj.v4i1.6537>
- Idrus. (2021). Halal Haram Cryptocurrency. *Al-Tasyree: Jurnal Bisnis, Keuangan Dan Ekonomi Syariah*, 13(02). <https://doi.org/10.59833/altasyree.v13i02.300>
- Islam, M. R., Faruque, O., & Kamruzzaman, A. (2018). Bitcoin: Would it Be Another Alternative for Global Currency System? *SSRN Electronic Journal*. <https://doi.org/10.2139/ssrn.3188690>
- Jati, H. S., & Zulfikar, A. A. (2021a). Transaksi Cryptocurrency dalam Pandangan Hukum Ekonomi Syariah. *Al-Adalah: Jurnal Hukum Dan Politik Islam*, 6(2). <https://doi.org/10.35673/ajmpi.v6i2.1616>
- Jubaedah, D., Ahyani, H., Putra, H. M., Prakasa, A., & Mutmainah, N. (2022). LEGAL ANALYSIS OF CRYPTO INVESTMENT IN ERA 4.0 VIEW FROM CREDO THEORY. *Diponegoro Law Review*, 7(2). <https://doi.org/10.14710/dilrev.7.2.2022.262-278>
- Khan, D. M. A., & Zamin, M. M. (2018). The Legal Status of ‘Bit coin’ in Islamic Law. *AFKAR Research Journal of Islamic Studies*, 2(2).
- Kusuma, T. (2020). Cryptocurrency dalam Perdagangan Berjangka Komoditi di Indonesia Perspektif Hukum Islam. *TSAQAFAH*, 16(1). <https://doi.org/10.21111/tsaqafah.v16i1.3663>
- Kusuma, T., Zainal, V. R., Subagja, I. K., & Basalamah, S. (2020). The Perspective of Islamic Law on Cryptocurrency for Commodity Future Exchange in Indonesia. *JOURNAL OF ISLAMIC STUDIES AND CULTURE*, 8(1). <https://doi.org/10.15640/jisc.v8n1a1>
- Lateh, N., & Rejab, S. N. M. (2021). Sharia Issues About Bitcoin Cryptocurrency Transactions. In *Enhancing Halal Sustainability*. https://doi.org/10.1007/978-981-33-4854-7_11
- Maljichi, D. (2018). Study Approach From the Prism of Islamic Finance and Banking on Virtual Currencies. *Qasje Studimore Mbi Monedhat Virtuale Nga Prizmi I Financave Dhe Bankimit Islam.*, 29.
- Meriyati, M., Arifin, I., Arismanto, D. F. P., Rizal, M., & Mustamiruddin, M. (2023). Hukum dan Eksistensi Jual Beli Crypto untuk Investasi Dalam Perspektif Ekonomi Islam dan Ekonomi Sosial “Studi Literasi dan Komparasi pada Masyarakat.” *Jurnal Justisia Ekonomika: Magister Hukum Ekonomi Syariah*, 7(2). <https://doi.org/10.30651/justeko.v7i2.20456>

- Nugroho, B. A. (2023). THE STABILITY OF ISLAMIC CRYPTOCURRENCIES AND COPULA-BASED DEPENDENCE WITH ALTERNATIVE CRYPTO AND FIAT CURRENCIES. *ISRA International Journal of Islamic Finance*, 15(2). <https://doi.org/10.55188/ijif.v15i2.543>
- Qaruty, R. M. Al. (2021). Virtual Currencies & Islamic Law: Origin, Features And Sharia Rulings. *Journal of Legal, Ethical and Regulatory Issues*, 24(Special Issue 1).
- Ramhormozi, L. A., Mehdipour, M., & Alizadeh, M. (2021). Establishment of a Digital Court to Resolve International Disputes Peacefully in Cryptocurrency. *Journal of Management and Accounting Studies*, 9(2).
- Rusydiana, A. S. (2025). Discussion on Islamic Finance and Cryptocurrency. *Islamic Capital Market*, 2(2). <https://doi.org/10.58968/icm.v2i2.602>
- Safira, S., & Rofiq, M. A. (2023). Diskursus Pengenaan Pajak pada Transaksi Kripto Perspektif Pemikiran Yusuf Qardhawi. *Muslim Heritage*, 8(2). <https://doi.org/10.21154/muslimheritage.v8i2.6092>
- Sawitri, N. N. (2021). Cryptocurrencies in A Global Islam Economy (Study Mini Review). *Journal of Accounting and Finance Management*, 1(6). <https://doi.org/10.38035/jafm.v1i6.209>
- Setya Negara, A. I. (2023). The Phenomena of The Cryptocurrency Fall in The Sharia Economic View. *Open Access Indonesia Journal of Social Sciences*, 7(2). <https://doi.org/10.37275/oaijss.v7i2.222>
- Siregar, E. S., Manurung, W., Gunawan, R., Dzulkhairil, M., Siagian, R., Ardiansyah, M., Lubis, R., & Sitorus, A. (2023). Kepastian Hukum Aset Kripto sebagai Instrumen Investasi dalam Perspektif hukum islam dan Hukum Positif . *El-Mujtama: Jurnal Pengabdian Masyarakat*, 4(1). <https://doi.org/10.47467/elmujtama.v4i1.3249>
- Tugushev, R. A. (2023). Islamic Law on Cryptocurrencies. *Islam in the Modern World*, 19(3). <https://doi.org/10.22311/2074-1529-2023-19-3-83-98>