

## **BITCOIN CRYPTOCURRENCY PRACTICES SHARIA MAQASHID PERSPECTIVE**

**Yuniartik**

Institut Agama Islam Sultan Muhammad Syafiuddin Sambas, Indonesia  
yuniartik@iaisambas.ac.id

---

### **Keywords**

Cryptocurrency,  
Bitcoin, Muqashid  
Sharia.

### **Abstract**

Cryptocurrency is a digital currency created using cryptographic technology to secure transactions and control the creation of new units. Cryptocurrencies are not managed by any financial institution or government, so transactions made using cryptocurrencies are usually more anonymous than transactions made using fiat currency. Cryptocurrencies can be stored and exchanged through special applications or "wallets" available online. Some examples of popular cryptocurrencies are Bitcoin, Ethereum, and Litecoin. Bitcoins are digital currency created in 2009 by someone or the using group name the pseudonym of Satoshi Nakamoto. Bitcoins operate with use blockchain technology, that is a network as decentralized as possible every transaction recorded and verified digitally. Blockchain makes bitcoin and other digital currencies possible for exchanged without need involve a bank or institution finance other. This study aims to determine the Muqashid Syariah Perspective Bitcoin Cryptocurrency Transaction Practices. This study uses a normative method, namely research to find concrete laws from the practice of using the Bitcoin currency as a means of payment transactions, which are appropriate or not in practice based on the provisions of Islamic law. This research is a type of library research ( *library research* ) using library materials as the main data source. The results of this study indicate that there are masalah and mafsada in bitcoin cryptocurrency from a sharia muqashid perspective. Mafsadat of bitcoin include: first, cryptocurrency is a decentralized currency system that only depends on the system and users, and has no consumer protection. Second, mining fees are too high and keep increasing as time goes on. Third, unmanageable price fluctuations. While the masalah of bitcoin include: first, Bitcoin will never experience inflation. Second, the bitcoin cryptocurrency makes transactions faster compared to other currency systems. Thirdly, cryptocurrency is an open and distributed ledger that permanently records all transactions and can solve the problem of double spending. Fourth, transaction fees are very cheap or even free.

---

## INTRODUCTION

Islamic historical perspective, money is something that was adopted from the Roman and Persian civilizations because the use and concept of money does not conflict with Islamic teachings. Dinar is a gold currency taken from Rome and Dirham is a silver currency inherited from Persian civilization. These two precious metals have been mentioned in the Qur'an and Hadith, both for their functions as currency or as treasures and symbols of stored wealth (Faisal Affandi).

The development of money from time to time shows an increasingly advanced civilization and development of science and technology. Today, technological advances are extraordinary with the internet, including technological advances in the economic field. Internet brings the world economy enters half new more known with digital economics terms. Development continuing technology develop has influence form system payment impacted economy in life public moment this. In modern times, society more choose use system payment in a manner electronic than with system cash transactions, because ease, speed, accuracy and security from payment electronics offered (Muhammad Ngafifi).

Development tool payment keep going changed form, start from form metal, banknotes, up to now tool payment has experience evolution in the form of data that can placed on one receptacle or called with tool payment electronics. Use system electronic there is two matter necessary basis noticed. First, technology is a human invention that will have weaknesses in its technical system. Second, technology apart from having weaknesses in its technical system also has uncertainties in terms of legal certainty.

Today, mathematicians and computer science experts find other uses of cryptography (A. Seetharaman 2017). That have the potential to support people's lives in the field of buying and selling and digital currency called Cryptocurrency. Cryptocurrency is a digital currency that is not regulated by the government and is not an official currency. The use of electronic money continues to grow so that a type of digital currency appears that has its own system, one of which is Bitcoin. In contrast to electronic money, the absence of thirdparty interference with money owned by someone is the main reason for the birth of Bitcoin. Bitcoin is believed to be the currency of the future because it does not have a server or central controller which is also known as decentralization. Bitcoin is stored on someone's computer or mobile phone which is called an E-wallet, so someone who wants to make a transaction only needs to be connected to the internet network (Dara Lidia, 2018).

Bitcoin offers an easier way to pay without the need for a bank account, credit card or intermediary. Bitcoin is cash stored in a computer that can be used to replace cash in online buying and selling transactions. Different with other related online currencies with the bank and use payment system like Paypal. Bitcoins for live distribute Among user without intermediary required. Bitcoins can be sent via the internet to whoever has a Bitcoin (Muhammad Said Honggowongso and Munawwar Kholil, 2021) address. Bitcoins use a database that is distributed and distributed to nodes from a peer-to-peer network to journal transaction and use cryptography for provide functions security basic (Peter DeVries, 2016).

In Indonesia there are pros and cons to use Bitcoin currency as tool transaction payment because Bitcoin hasn't Fulfill a number of elements and criteria as the currency that applies in Indonesia. Like in Constitution Number 23 of 1999 concerning Bank Indonesia which has with Constitution Number 6 of 2009 concerning Bank Indonesia Act Number 7 of 2011 concerning Currency Article 1 paragraph 1 is mentioned that currency is money issued by the Unitary State The next Republic of Indonesia called rupees. Legalitas Bitcoin Sebagai Alat Pembayaran Di Indonesia'.

The Indonesian government stated that Bitcoin and *virtual currency* other no tool legal payments in Indonesia. All risks related Bitcoin use is covered themselves by users of Bitcoin and other virtual currencies (Sisca Ferawati Burhanuddin, 2022). Bitcoins have a number of advantages and disadvantages if used as currency, like no exists umbrella governing law to circulation bitcoin currency. If occur abuse against Bitcoin like theft, money laundry, fraud, and acts criminal other no there is one responsible institution. 'Bitcoin Legal Legalitas Bitcoin Sebagai Alat Pembayaran Di Indonesia'.

Still many existing problems regarding Bitcoin in Indonesia, start from the legality of Bitcoin itself in Indonesia to Bitcoin indeed not official money in Indonesia. However along walk time and technology there are many people in the world even in Indonesia using Bitcoin as the money used for transact sell buy , users on Bitcoin Indonesia are dominated by generations millennial . They is generation whose average age is 17 to 35 years (<https://ekonomi.kompas.com>).

In Indonesia the legitimacy of this cryptocurrency still Becomes a hope for owner asset crypto , because not yet exists protection law is effective and also not disturbing existence and stability rupiah currency . Its use is only as a digital asset and is used only through electronic media to make investments. Based on the Regulation of the Minister of Trade of the Republic of Indonesia Number 99 of 2018 concerning the General Policy for Organizing Crypto Asset Trading, bitcoin is one of the objects that can be traded on futures exchanges (Firda Nur Amalina Wijaya, 2019).

There are differences of opinion among scholars regarding the use of bitcoins, some justify it and many others forbid it, because speculation can occur every second up and down erratically. The Turkish Fatwa by The Directorate of Religious Affairs or diyanet provides a statement that the use of bitcoin is prohibited because the reason is high speculation, the opportunity to be used within the scope of jinayat is very large, it is not issued by any country. The Palestinian fatwa also forbids the use of bitcoin because of course there is an element of gharar fahsih and there is also an element of gambling. Institutions that also prohibit the use of bitcoin are Darul Ifta' Egypt and also the Majlis Ulama Turkey, forbid it because the financial system does not have a central ownership (state and bank), there are elements of gharar and jahalah, bitcoin owners do not have to buy and sell beforehand to use it (Firda Nur Amalina Wijaya).

MUI fatwa for related Muslims with Bitcoin is in order to be careful with Bitcoin transactions. This statement does not contain prohibitions and permissibility, but is merely a warning. For now, MUI is still studying in depth based on sharia aspects by paying attention to the basic factors that will be considered by MUI in studying Bitcoin including 3 aspects, namely Bitcoin as money or not, guarantees for ownership and use of Bitcoin and

whether Bitcoin is recognized or not by the government (Taufik Akbar and Nurul Huda, 2022).

With the difference of opinion regarding the legitimacy of Bitcoin in various countries, and the Indonesian state itself does not yet have a legal umbrella regarding bitcoin, so this research is focused on the benefit of the people with many users.

## RESEARCH METHODS

*Bitcoin* currency as a means of payment transactions, which are appropriate or not in practice based on the provisions of Islamic law. This research is a type of *library research* using library materials as the main data source, meaning that the data collected comes from the library, both in the form of scientific works of books, journals, online media and others, which are related to the object of the problem to be studied.

## RESULTS AND DISCUSSION

At present, the times have brought changes that make technology more developed. Bitcoin that is in cyberspace is one of the proofs that technology has developed far more rapidly than in previous years, technology is basically the application of science that aims for human welfare. Technology has three functions which are the embodiment of technical values or principles as a normative aspect of technology.

The virtual world which is a manifestation of the development of technology that displays the way of interaction of modern society, so that in order to communicate with each other there is no need to travel long distances which can take a lot of time. Through the virtual world one can easily share information with others, be it information related to personal matters or information related to the business world which is the way of modern society in marketing the goods or services offered in a business.

In addition, this progress has also penetrated into the world of finance, namely the existence of electronic money through the services of financial institutions such as banking. Not only that, this progress continues so that humans have managed to find a tool that is used in a transaction without a central supervisor or third party in one's finances because it has a decentralized nature called Bitcoin.

Bitcoin is virtual, so it has no physical form, there are only files with numbers recorded in digital form, these files are encrypted codes that make them different from one another, these files can be stored on individual computers, *flash discs* or *software*. Bitcoins use system network payment *peerto - peer* that is *open source* and require internet network in the transaction process (Willy Wong, 2014).

Bitcoins as cryptocurrencies have some weaknesses that have a negative impact on users as well as other related parties. Cryptocurrency is a decentralized currency system that only depends on the system and users, and has no consumer protection. The absence of consumer protection in cryptocurrencies is mainly due to the limited regulations in it. Due to the absence of regulatory oversight in cryptocurrencies, these currencies can have an impact on the economy, both now and in the future. Circulation of cryptocurrencies in the economy is untraceable. Thus, a government or regulatory agency can lose control of the economy especially if it becomes the main currency of a country.

Mining fees are exorbitant and continue to increase over time, especially for mineable cryptocurrencies. Mining costs increase due to difficulty in solving the algorithm. Mining is expensive because it uses too much electrical power for algorithmic computation purposes, especially for cryptocurrencies that use proof-of-work (PoW) as the protocol. Miners need to find and invest more in equipment and internet access to be able to compete with other miners especially for new miners. The marginal cost of verifying transactions by miners in cryptocurrencies is higher compared to currently used centralized payment systems. Because bitcoin and other cryptocurrencies are not issued by any government, they do not have the status of legal tender, unlike today's fiat money. Cryptocurrency systems operate without the support of any government or monetary authority. People believe in fiat money because of its legal tender status, which is guaranteed by the government. Thus, without a legal tender status, there is no guarantee from any party if a loss occurs in the future, this will have an impact on public trust and acceptance. Cryptocurrency only has meaning if the user agrees that the currency has meaning. So, if people don't agree and believe in this currency, then its value will decrease and they will switch to other cryptocurrencies.

In addition, cryptocurrencies also have weaknesses, namely price fluctuations that cannot be managed as has been done in the traditional monetary system. Mainly because of the decentralized nature of cryptocurrencies. Price volatility is one of the weaknesses that limits the function of Bitcoin to be used as a medium of exchange. Compared to the prices of goods and services, Bitcoin price fluctuations are higher.

Despite the weaknesses in cryptocurrencies, there are opportunities as well as threats that will shape our future if cryptocurrencies become a mainstream currency or at least become an alternative to paper money. Among the cryptocurrency opportunities is that crypto can solve problems that cannot be solved in the current financial system.

Cryptocurrency can be a peer-to-peer (P2P) system, cryptocurrency can solve problems in the current banking system as well as close gaps in traditional financial technology. Bitcoin or other cryptocurrencies will benefit the world's unbanked. Unlimited Bitcoin features, will contribute to global economic development. Since cryptocurrencies are easier to obtain, it will continue to help and increase international trade which will in turn add to faster economic growth. Of course this will have a positive impact on the global economy, especially if it is widely accepted.

*Maqashid al-shari'ah*, through *mashlahah* and *mafsadah*, acts as a tool in analyzing new innovations including *cryptocurrencies*. Based on the explanation above, the losses and threats of cryptocurrency which can be categorized as *mafsadah* are greater than the advantages and opportunities of cryptocurrency, which are categorized as *maslahah*.

Cryptocurrency when viewed from the perspective of *maslahah*, has been introduced with several strengths. *First*, Bitcoin will never experience inflation. Because it has never experienced inflation, there is no reduction in purchasing power due to inflation. But this only applies to cryptos that have a limited supply and not all cryptos have this advantage (DeVries).

*Second*, the Blockchain technology embodied in cryptocurrency makes transactions faster compared to the current currency system. Cryptocurrency transactions can be

carried out within a minute. The speed of verification and completion is not related either directly or indirectly to the geographical location of the sender and receiver, making it faster compared to traditional currency and payment systems. Cryptocurrency can be classified as a borderless currency because no government or country controls this currency (DeVries ). Bitcoin, has been used by a large group of people and has been accepted by several countries as a medium of exchange, but Bitcoin is not classified as a State currency. Not everyone believes in cryptocurrencies because of the too high fluctuations in value.

*Thirdly*, the Blockchain technology behind cryptocurrencies is an open and distributed ledger that records all transactions permanently and can solve the problem of double spending. This technology can also avoid fraud and prevent chargebacks due to irreversible or irreversible transactions. Hackers will have a hard time committing fraud or making fraudulent transactions due to ledger technology distributed in cryptocurrencies. Every transaction in cryptocurrency will be recorded in an open and distributed ledger, this currency can make transactions more transparent. Each miner has a copy and can verify transactions, so transactions are considered more transparent (Darmawansyah, Firdaus, and Aguspriyani).

*Fourth*, transaction fees are very cheap or even free if you use cryptocurrencies for daily transactions. This is mainly due to direct transactions without the involvement or intervention of third parties. According to Seetharaman , there isn't cross-border fees, so as to suit the needs of international traders. Compared to retail electronic payments and international transfers who use fiat currency, cryptocurrency promises to cost more the lower of the two. Because currency can be used beyond national borders, hence there are no foreign exchange fees as well as cross-border fees (A. Seetharaman 2017).

Cheap transaction costs can be seen as *maslahah* because it is profitable to carry out transactions. Lower costs are due to the decentralized system, whereby the role of third parties is eliminated thereby reducing transaction management and administration costs. Cryptocurrencies still requires validation and verification processes carried out by miners in the mining process. In return, they will receive coins, but must first solve some logarithmic puzzles which are quite difficult. In business, cost reduction is always in the spotlight, especially when multiple parties are involved in the international system that connects individuals across continents and countries. So that this *maslahah* can be resolved and achieved.

Based on the presentation above, practice mining trading criptocurrency bitcoin is used as a transaction and business instrument we can see from various points of view. As found in Al-Quran Surat Al-Maidah verse 90:

يَسْأَلُهَا الَّذِينَ ءَامَنُوا إِنَّمَا الْخَمْرُ وَالْمَيْسِرُ وَالْأَنْصَابُ وَالْأَزْلَامُ رِجْسٌ مِّنْ عَمَلِ الشَّيْطَانِ فَاجْتَنِبُوهُ لَعَلَّكُمْ تُفْلِحُونَ ٩٠

Translation : O you who believe, verily (drinking) wine, gambling, (sacrificing to) idols, casting lots with arrows, are among the deeds of the devil. So stay away from those actions so that you get good luck. (QS. Al -Maidah: 90)

From this verse there are two key words that can be interpreted, namely the words vanity and maysir. According to Muhammad ibn Husein ibn Hasan AlZaizani in the book Ma'alimUshul al-Fiqh 'inda Expert al-Sunnah wa alJama'ah, the maslahah al-mursalah method is used because there is no argument that gives i'tibar and legal clarity for something so that the determination The law was stipulated based on the consideration of the principle of benefit for the people.

Bitcoins are imaginary, imaginary, dream money, but they are sold for a clear price. With Thus, the sale of Bitcoin, illegal. Likewise about mark exchange Bitcoins. Ups and downs mark exchange of money in a country depends on the value imports and exports of the country . If mark exports increase in value exchange rate up. On the contrary if mark export down, the value of the country 's money also fell. This different with Bitcoin case. Rising and falling mark exchange Bitcoin no related with mark import and export but depend on opinion built public in system marketing. Bitcoins don't have underlying assets (underlying assets) so fluctuation mark Bitcoin exchange is extreme. Bitcoin can skyrocket and get down swooping sharp so that difficult predicted. because that, this Bitcoin business like bet. This is what is included element maysir. With thus, impermissibility use of Bitcoin virtual money as instrument investment and transaction business is haram lighairihi or illegal because there is other factors outside substance.

In addition to the above , bitcoin still many experience existing constraints and pros and cons , necessary exists discussion in detail when government will legalize Constitution regarding bitcoins. Various possible factor support and get made consideration about bitcoin legality, from bitcoin benefits as well that bitcoin mafsadah alone.

First, the state obtains funds to carry out all national development financing. State revenues are all revenues originating from tax revenues, non-tax state revenues, and also receipts from grants, both from within the country and abroad. Understanding the writer take in accordance with Constitution Number 17 of 2003 concerning State Finance . Wetting topic about regarding bitcoin, especially in Indonesia, arrived now still warm talked about. Innovations transaction sell buy continuously online penetrated in various across the country, system the administration use system digitalization. Digitization it is growing too with tool exchange used, ie with virtual currency. Bitcoin is one digital currency whose development has great potential the morefast and a lot influence various implementation activity. United States government give trust to congress for manage all something related with currency to congress, p this same just with Japan. In congress the arrange in detail about bitcoin. With no exists clear regulation, with the order is right then transactions made will impact good to the country. kindly live nor no state revenue is earned from various source from earth, water, and wealth natural other, from the benefits obtained from source could be one source state revenue. Taxes will be taken from this wealth to meet the needs of the people. The state obtains funds, one of which is from taxes, and taxes for the state are the main source of income. Of the total state revenue, 80% is the result of taxes. The revenue will be allocated for the implementation of national development. Namely development in the education sector, health sector, economic sector, infrastructure sector, to the environmental sector. The role of taxes is very important to support various facilities.

Second, investment is a positive thing or action for someone who wants to do

business. Investment requires analysis and special calculations so that risks can be minimized. In stock investment, fundamental and technical analysis is needed. With changes in the value of bitcoin exchange rates with currencies in various countries which are high and tend to always go up and the value is fantastic, it is very different from the beginning of the emergence of bitcoin until the highest value was Rp. 963,305,484, - and now the value has reached Rp. 666,338,565, -. With these changes, business people will definitely be very tempted to see the value of bitcoin that continues to rise, not only business people who are not digitally proficient have the desire to be able to own bitcoins, they can buy bitcoins from financial service providers, or they can receive payments from a transaction. Because in 1 bitcoin the value tends to continue to soar so that it can be used as a promising investment. Even bitcoin could potentially become the largest commodity market holder in the world. In 1 bitcoin the value is fantastic, the nominal reaches hundreds of millions of rupiah. A very significant difference in 2015 which was only Rp. 4,427,000. If someone is doing business using bitcoin, understand how it works and also how to get it so that the chances of getting a profit are greater. The more big income somebody so the more big level life someone. It also has an impact positive for the country because will raise the level of the state, for example Indonesia at this time this including in developing countries, will changed become a developed country because the more rise income per capita the people.

Investment have aim for life in Century come, with have the funds and have exists budgeting since far away day is hope that in the future come We could take advantage of it, so want have investment need exists strong analysis because investment is asset.

## **CONCLUSION**

Based on the discussion and analysis above, cryptocurrency transactions are a digital financial transaction system. Cryptocurrency basically uses relatively new technology and its legality still needs to be studied more deeply, but it's not a form of violation. In the country of Indonesia itself, the government has not taken a definite stance on the existence of the Cryptocurrency, so that people are still allowed to use it. Even so, investment with cryptocurrency has a very high risk because its value can rise or fall drastically and unpredictable. In addition, Bitcoin as an example of crypto currency is also considered unofficial in Indonesia, this is because Bank Indonesia (BI) and the Financial Services Authority (OJK) have no responsibility for any potential problems that may occur while using Bitcoin as a means of payment. , both as an investment and as a means of business transactions.

While based on sharia muqashid, it can be concluded that the benefit of mafsadat value produced by Bitcoin is greater, this mafsadat value goes into hajiyyat and can rise to the level of dharuriyyat.



## BIBLIOGRAPHY

- Agus, 'Konsep Maslahat dan Aplikasinya dalam Penetapan Hukum Islam (Studi Pemikiran Ushul Fiqh Sa'id Ramadhan al-Bûthi) (2012), 1–47.
- Akbar, Taufik, and Nurul Huda, 'Haramnya Penggunaan Cryptocurrency ( Bitcoin ) Sebagai Mata Uang Atau Alat Tukar Di Indonesia Berdasarkan Fatwa MUI', *Jurnal Ilmiah Manajemen Dan Bisnis (Jambura)*, 5.2 (2022), 747–56.
- Darmawansyah, Trisna Taufik, Farhan Firdaus, and Yani Aguspriyani, 'Mashlahah Dan Mafsadah Cryptocurrency Sebagai Mata Uang Resmi Negara', *Muamalatuna*, 13.2 (2021), 83–105  
<http://www.jurnal.uinbanten.ac.id/index.php/mua/article/download/5543/3447>>
- DeVries, Peter, 'An Analysis of Cryptocurrency, Bitcoin, and the Future', *International Journal of Business Management and Commerce*, 1.2 (2016), 1–9
- Ferawati Burhanuddin, Sisca, "Transaksi Cryptocurrency : Bagaimana Pandangan Hukum Ekonomi Islam Memandang?", *Jurnal Ilmiah Akuntansi Dan Keuangan*, 5.2 (2022), 694–703 <<https://journal.ikopin.ac.id/index.php/fairvalue>>
- Firda Nur Amalina Wijaya, 'Bitcoin Sebagai Digital Aset Pada Transaksi Elektronik Di Indonesia (Studi Pada PT. Indodax Nasional Indonesia)', *Jurnal Hukum Bisnis Bonum Commune*, 2.2 (2019), 126–36.
- Honggowongso, Muhammad Said, and Munawwar Kholil, 'Legalitas Bitcoin Dalam Transaksi E-Commerce Sebagai Pengganti Uang Rupiah', *Jurnal Privat Law*, 9.Vol 9, No 1 (2021): Januari-April (2021), 143–54.
- Karman, 'BAB I Pendahuluan A. Latar Belakang Masalah Perkembangan', 1991, 1–49.
- Kemajuan Teknologi Dan Pola Hidup Manusia Dalam Perspektif Sosial Budaya'.
- Kementerian Agama Republik Indonesia, *Al-Qur'an Terjemahan dan Tajwid*, (Bandung: Sygma, 2014), hlm. 102.
- Legalitas Bitcoin Sebagai Alat Pembayaran Di Indonesia', *Kertha Semaya : Journal Ilmu Hukum*, 6.12 (2018), 1–15.
- Lidia, Dara, *Eksistensi Bitcoin Dalam Perspektif Maqāsid Al-Syar'īyah, Petita : Jurnal Kajian Ilmu Hukum Dan Syariah*, 2018, III <<https://doi.org/10.22373/petita.v3i2.4026>>
- Salma, 'Maslahah Dalam Perspektif Hukum Islam', *Media Neliti*, 2020, 1–8.
- Seetharaman, A., A.S. Saravanan, Nitin Patwa, and Jigar Mehta, 'Impact of Bitcoin as a World Currency', *Accounting and Finance Research*, 6.2 (2017), 230 <<https://doi.org/10.5430/afr.v6n2p230>>
- Affandi, Faisal. *Fungsi Uang dalam Perspektif Ekonomi Islam*, <<https://www.ptonline.com/articles/how-to-get-better-mfi-results>>.

Legalitas Bitcoin Sebagai Alat Pembayaran Di Indonesia', *Kertha Semaya : Journal Ilmu Hukum*, 6.12 (2018), 1-15.

Ngafifi, Muhammad. *Kemajuan Teknologi Dan Pola Hidup Manusia Dalam Perspektif Sosial Budaya*'.

Nubika, Ibrahim. *Bitcoin : Mengenal Cara Baru Berinvestasi Generasi Milenial*, (Yogyakarta: Genesis Learning, 2008), hlm. 124

Ankaa Wijaya, Dimaz. *Bitcoin Mining dan Cryptocurrency lainnya*, (Jakarta: Jasakom, 2018), hlm. 51.

Wong, Willy. *Panduan Praktis Memahami, Menambang, dan Mendapatkan Bitcoin*, (Semarang: Indraprasta, 2014), hlm. 1

Kementerian Agama Republik Indonesia, *Al-Qur'an Terjemahan dan Tajwid*, (Bandung: Sygma, 2014), hlm. 102.