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Integrating Islamic Law and Modern Regulation: Cryptocurrency as a Sharia-Compliant Digital Asset in Indonesia

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ABSTRACT

Cryptocurrency, as a rapidly evolving digital asset, has sparked significant debates regarding its legality and compliance with Islamic law. This study examines the intersection of Indonesian positive law and Islamic principles in regulating cryptocurrency as a tradable commodity (*Sil'ah*). Using a qualitative library research approach, the research explores regulatory frameworks such as Peraturan Menteri Perdagangan Nomor 99 Tahun 2018 and Peraturan BAPPEBTI Nomor 5 Tahun 2019, alongside Islamic legal standards for *Sil'ah*. Findings reveal that while Indonesian law has established a robust regulatory system ensuring transparency and security, compliance with Islamic principles requires further alignment, particularly in addressing challenges like volatility, lack of physical form, and potential *gharar* (uncertainty). However, digital documentation and blockchain technology provide opportunities for cryptocurrency to meet *Sil'ah* criteria, including ownership clarity and economic utility. The study emphasizes the potential for harmonizing positive law and Islamic law through adaptive regulations and innovative technologies such as blockchain-based smart contracts and halal asset tokenization. This integration could support a sharia-compliant digital economy, fostering inclusivity and trust among Muslim investors. The research contributes to bridging gaps in understanding cryptocurrency's role within Islamic finance and its future in the global economic landscape.

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1. INTRODUCTION

The development of information and communication technology has brought great transformations in various aspects of human life. One of the important transformations occurred in the way humans transact, invest, and carry out other economic activities (Lee et al., 2018). The Industrial Revolution 4.0, known as the era of automation and integration of cyber technology, is a milestone in this change (Butt et al., 2020). This era not only accelerates access to information, but also allows the emergence of various innovations, such as the Internet of Things (IoT), digital wallets, and digital currencies. One of the most notable innovations is cryptocurrency, which is known as a digital currency without a physical form. This innovation according Appukuttan Nair (2019) is a symbol of the change in the way humans understand and manage value in modern economic transactions. This pace of development not only creates great opportunities in the financial sector but also new challenges that need to be faced from various perspectives, including legal and ethics.

In Indonesia, cryptocurrency has attracted attention as one of the investment instruments with significant growth (Sufian et al., 2024; Wiwoho et al., 2024). Based on official data, the number of cryptocurrency investors in Indonesia reached more than 12 million people in 2022, an increase from the previous year. This shows the attractiveness of cryptocurrencies as an asset with high potential returns, although it has no small risk. The Indonesian government, through the Commodity Futures Trading Supervisory Agency (BAPPEBTI), has regulated that cryptocurrencies are not legal tender, but can be traded as commodities (BAPPEBTI, 2022). This regulation provides a clear legal basis for market participants to invest in these digital assets. However, behind this growth, fundamental questions arise about the legitimacy of cryptocurrencies as a commodity in the view of Islamic law, which emphasizes the principles of fairness, clarity, and security in economic transactions.

In the context of Islamic law, cryptocurrencies give rise to quite complex debates. Its physically intangible nature and high volatility give rise to the potential for *gharar* (ambiguity) and *dharar* (danger) which are often critical issues in Islamic *muamalah* (Islam) (A Wahid et al., 2023; Garadian & Arrasyid, 2024). The Indonesian Ulema Council (MUI) through the 7th Fatwa Commission Ijtima Ulama stated that cryptocurrency as a currency is not valid in Islam because it can threaten the sovereignty of the Rupiah and contains elements that are contrary to sharia principles (Asyiqin et al., 2024; Novita Sari et al., 2023). However, this decision also opens up the opportunity to consider cryptocurrencies as halal commodities to be traded if they meet the conditions of *Sil'ah* (merchandise) stipulated in Islamic law (A Wahid et al., 2023; Ashal, 2024). These conditions include the existence of useful value, clarity, legal ownership, and the ability to be handed over to the buyer.

The study of cryptocurrencies in the perspective of Islamic law has become an important concern amid the rapid development of digital technology. Hidayat (2023) and Kirchner (2020) highlights the legality of cryptocurrencies in commodity futures trading in Indonesia by emphasizing the potential for *gharar* (ambiguity) that can cause legal uncertainty in transactions. This study provides an overview of transaction risks, but has not explored in detail how cryptocurrencies can meet the requirements of *Sil'ah*, which is the criterion that is the basis for the validity of commodities in Islamic conversion. Oudang (2023) and Soputro et al. (2023), on the other hand, review cryptocurrency regulations in Indonesia which stipulate them as commodity assets under the supervision of the Commodity Futures Trading Supervisory Agency (BAPPEBTI). Although this study outlines a comprehensive positive legal framework, the analysis of the integration of such regulations with sharia principles is still limited.

The Fatwa of the Indonesian Ulema Council (MUI) through the 7th Fatwa Commission Ulama Ijtima provides important guidance regarding the legal status of cryptocurrencies (Fitriana & Maiza Dea Nuraini, 2023; A. S. Hidayat, 2023; M. H. Rohman, 2023). As a currency, cryptocurrency is considered haram because it contains *gharar* and *dharar* and has the potential to threaten the

sovereignty of the Rupiah (Asyiqin et al., 2024). However, as a commodity, cryptocurrencies are declared halal if they meet the requirements of *Sharia Prayer*, such as having benefits, clarity of value, legal ownership, and the ability to be handed over to buyers (A Wahid et al., 2023; Wiwoho et al., 2024). Imam Shafi'i and Imam Al-Ghazali in their works also emphasized the importance of the principles of clarity, benefit, and physical presence in determining the validity of transactions (Amri & Mohammed, 2019; Try Astuti et al., 2022). However, previous literature has not fully answered the challenges that arise in the digital era, especially related to the recognition of digital documents as a substitute for legitimate physical existence in digital asset transactions such as cryptocurrencies.

This research presents novelty by integrating positive legal views and Islamic law in analyzing the legality of cryptocurrency as a commodity asset. Unlike previous studies that only highlighted aspects of legality in positive law, this study focuses on how cryptocurrencies can qualify for *Sil'ah* based on sharia principles, including examining the role of digital documents as a substitute for physical forms in modern transactions. With this approach, the research makes a new contribution to the existing literature, offering practical solutions for regulators and market participants, while bridging the need for legal clarity in the context of sharia and the digital era.

This research aims to answer this debate by conducting an in-depth study of the regulation and implementation of cryptocurrency trading in Indonesia. The study will also analyze how cryptocurrencies as commodity assets can meet the criteria of *Sil'ah* in accordance with Islamic law. This approach is not only relevant to provide a better understanding of the legal status of cryptocurrencies, but also offers a practical contribution in integrating positive legal views and Islamic law in the face of the challenges of the digital age. Thus, this research seeks to bridge the gap between the practical needs of modern society and sharia principles that are the basis for Muslims in transactions.

2. METHODS

This study uses a qualitative approach with library research to analyze cryptocurrency as a commodity asset in the perspective of Islamic law and positive law in Indonesia. This method was chosen because it is suitable for digging up secondary data from reliable sources such as legal documents, fatwas, government regulations, scientific journals, reference books, and annual reports of related institutions (Starr, 2014). The main data sources in this study include the regulations of the Commodity Futures Trading Supervisory Agency (BAPPEBTI), laws related to commodity futures trading, fatwas of the Indonesian Ulema Council (MUI), and relevant academic literature. Researchers also make use of credible online sources, including official government websites and trade watchdogs (Natow, 2019). Data collection is carried out through a systematic literature review, which includes searching, evaluating, and grouping relevant documents with the focus of the research. This process is designed to ensure that only valid and accountable sources are used in the analysis.

The collected data was analyzed using the content analysis, which involved identifying the main themes, grouping the findings, and interpreting the data based on the principles of Islamic law and positive law (Krippendorff, 2018). Analysis in the context of Islamic law is carried out by referring to sharia sources, such as the Qur'an, hadith, MUI fatwas, and classical literature, while positive legal analysis refers to the Indonesian government's regulations and policies regarding cryptocurrencies. The validity of the research is ensured through data triangulation by comparing information from various sources, such as government regulations, scholarly views, and academic research results, to ensure the suitability and consistency of the data. Reliability is maintained through consistent data collection procedures and systematic analysis, so that this study can be replicated in similar studies in the future. With this approach, the research aims to make a significant theoretical and practical contribution in answering the main question, namely how cryptocurrencies can qualify for *Sil'ah* by Islamic law and positive law in Indonesia.

3. RESULTS AND DISCUSSION

Regulation of Cryptocurrency as a Commodity Asset in Indonesia

Cryptocurrencies, previously known as a global technological and financial phenomenon, are beginning to gain recognition in Indonesia's positive legal system as a commodity asset, not as a currency (Leo Handoko et al., 2021). The Indonesian government through the Ministry of Trade and the Commodity Futures Trading Supervisory Agency (BAPPEBTI) has provided a clear legal basis to regulate cryptocurrency trading (Arbina & F Putuhena, 2022; M. N. Rohman, 2021). One of the important milestones is the issuance of the Regulation of the Minister of Trade Number 99 of 2018, which stipulates a general policy for the implementation of crypto asset futures trading (Situngkir et al., 2022). This regulation provides legitimacy for cryptocurrencies to be traded in Indonesia with the status of a commodity, but expressly prohibits their use as a means of payment because it is contrary to Law Number 7 of 2011 concerning Currency.

Furthermore, BAPPEBTI Regulation Number 5 of 2019 concerning Technical Provisions for the Implementation of the Physical Market for Crypto Assets (Crypto Assets) on the Futures Exchange provides more detailed guidelines (BAPPEBTI, 2019). The regulation includes technical requirements for crypto assets that are recognized for trading, including the need to have economic benefits, such as supporting the growth of the information industry and creating digital experts in Indonesia (Arief Pratama, 2024; M. N. Rohman, 2021). In addition, the crypto assets traded must be utility crypto assets or crypto-backed assets, which have real benefits for the economy. This document also requires financial reporting and transactions by crypto asset traders to the Ministry of Trade and BAPPEBTI, which aims to increase transparency and accountability in digital asset trading.

The increase in the number of cryptocurrency investors in Indonesia reflects the successful implementation of this regulation. Based on data released by the Ministry of Finance in 2021, the number of cryptocurrency investors reached 11.2 million people and continues to increase to 12.4 million in 2022. This increase shows the high level of public confidence in the security of digital asset trading under existing regulations. However, despite strong regulation, challenges remain in ensuring that the entire trading process remains in accordance with positive legal principles, including consumer protection from the high risks inherent in cryptocurrencies.

BAPPEBTI plays a central role in ensuring the regulation and supervision of cryptocurrency trading in Indonesia. As an institution authorized by Law Number 32 of 1997 concerning Commodity Futures Trading (which has been amended to Law Number 10 of 2011), BAPPEBTI is tasked with regulating, developing, and supervising futures trading activities, including crypto asset trading. This institution ensures that all physical traders of crypto assets operating in Indonesia have official licenses and comply with the regulations that have been set.

Table 1. Physical Traders of Crypto Assets

Physical Traders of Crypto Assets	Website
PT Aliansi Koin Indo	www.kriptosh.com
PT Aset Instrument Digital	https://www.astal.co.id
PT Aset Kripto Internasional	https://nvx.co.id
PT Bursa Kripto Indonesia	https://bursakriptoIndonesia.com
PT Ctgx Indonesia Berkarya	https://mobe.io
PT Cyrameta Exchange Indonesia	https://cyr.pertukaaan

PT Coinbit Digital Indonesia	www.coinbit.com
PT Indodax Nasional Indonesia	www.indodax.com
PT Pintu Anywhere	https://pintu.co.id
PT Luno Indonesia Ltd	www.luno.com

Source: (BAPPEBTI, 2022)

As part of the supervision mechanism, BAPPEBTI requires crypto asset traders to provide periodic transaction reports, both daily and monthly. This report includes details of transactions made, including the amount, type of asset, and parties involved, to minimize the risk of fraud and illegal activity. In addition, BAPPEBTI also ensures that crypto asset traders comply with technical and legal requirements, such as maintaining the security of customer data, complying with anti-money laundering (AML) provisions, and reporting the company's finances transparently (Azgad-Tromer et al., 2023).

BAPPEBTI's role in protecting consumers is also realized through strict supervision of registered physical crypto asset traders (Garadian & Arrasyid, 2024). As stated in BAPPEBTI Regulation Number 5 of 2019, physical traders of crypto assets must have adequate infrastructure to support safe and transparent trading. For example, futures clearing houses and crypto asset futures exchanges serve as a liaison between traders and customers to ensure transaction integrity. With a strong supervision system, the risk of fraud can be minimized, and public trust in the digital asset market can increase (Kirchner, 2020).

The existence of BAPPEBTI is also a legal basis that provides certainty for investors, including Muslims who consider the sharia aspect in their investments. In this context, BAPPEBTI's role as a regulator of crypto asset trading is in line with efforts to create a trading ecosystem that is not only legal but also ethical, supporting compliance with positive laws and sharia principles.

Cryptocurrency as *Sil'ah* in the Perspective of Islamic Law

Cryptocurrency presents several compliance gaps in fulfilling the requirements of *Sil'ah* in Islamic law, primarily due to its intangible nature and unique characteristics. The absence of a physical form challenges its alignment with the traditional concept of *wujud fisik* (Nasikhin et al., 2022; Romero et al., 2024), while its high market volatility introduces elements of *gharar* (uncertainty) that are prohibited in Islamic transactions. Furthermore, the lack of intrinsic value in many cryptocurrencies, particularly speculative tokens, undermines their classification as goods with tangible benefits, a core criterion of *Sil'ah* (Amri & Mohammed, 2019; Girasa, 2023). Ownership and transferability issues also arise, especially when intermediaries, such as exchanges, limit direct control over the asset, raising doubts about the clarity of ownership—a key Islamic principle (Ahmed, 2013). Ethical concerns, such as the misuse of cryptocurrencies for illicit activities, further detract from their shariah compliance, as Islamic law emphasizes ethical trade. Additionally, the fragmented regulatory landscape and differing fatwas among Islamic scholars create uncertainty for Muslim investors, highlighting the need for harmonized frameworks that integrate shariah principles with blockchain technology to ensure cryptocurrencies meet the requirements of *Sil'ah* comprehensively.

In Islamic law, *Sil'ah* or merchandise is the main object in a buying and selling transaction that must meet certain criteria for the transaction to be valid according to sharia (Apriliana et al., 2024; Handoko et al., 2024). Imam Shafi'i and Imam Al-Ghazali, as well as contemporary scholars, agreed on some of the main conditions that must be fulfilled by *Sil'ah* (Amri & Mohammed, 2019; Try Astuti et al., 2022). First, the *Sil'ah* must have a physical form that can be clearly identified by the buyer (Apriliana et al., 2024). This physical form provides clarity and avoids *gharar* (ambiguity),

which is forbidden in *muamalah*. Second, *Sil'ah* must have real benefits for buyers, so that the transaction has a useful value and is not in vain (Moghul, 2017). Third, *Sil'ah* must be legally owned by the seller and under his control, so that no third party is harmed in the transaction. Fourth, *the Sil'ah* must have clarity of value and size, be it its weight, quantity, or quality, to ensure that the buyer clearly understands what is being received in the transaction. Fifth, *the Sil'ah* must be able to be handed over to the buyer, either directly or through a valid document, to confirm ownership after the transaction (Nasikhin et al., 2022).

In the context of the digital age, some contemporary scholars have begun to review these conditions, especially regarding physical existence. Along with technological advancements, digital documents are now often used as legal proof of ownership. For example, cryptocurrencies that do not have a physical form, but can be represented through digital documents or electronic tokens of ownership, are beginning to be recognized as legitimate alternatives when supported by a transparent legal and technological system (Emmert, 2022; Irina, 2018). However, this view has not been fully accepted by all scholars, so it still raises debates among academics and practitioners of Islamic law.

Cryptocurrency as a digital asset has unique characteristics that challenge the tradition of *Sil'ah* terms in Islamic law. Of the five main requirements of *the Sil'ah*, one of the biggest challenges is physical existence (Sufian et al., 2024). Cryptocurrencies do not have a physical form, but the existence of digital documents that record ownership and transactions is considered a substitution of physical form in several regulations, as stated in BAPPEBTI Regulation Number 13 of 2022. These digital documents serve as proof of legal ownership, transparently recording transaction details in a blockchain system, which cannot be altered or manipulated. Thus, even though it is not physically formable, cryptocurrencies can be considered digitally eligible for existence (BAPPEBTI, 2022; Garadian & Arrasyid, 2024).

In addition, the benefits of cryptocurrencies as an asset also meet the *Sil'ah* criteria, as they can be used for investments, specific transactions, or as a tool for portfolio diversification. BAPPEBTI Regulation Number 5 of 2019 recognizes cryptocurrencies that have economic benefits, such as improving the information industry and creating digital experts. This aspect of benefits gives additional legitimacy to the use of cryptocurrencies as *Sil'ah* (F. T. Hidayat, 2023; Taufiqurrohman, 2022). In terms of clarity of value, each cryptocurrency has a transparent value, determined by market mechanisms, and accessible to buyers before making a transaction. This value is supported by constantly updated market data, thus minimizing the potential for *gharar*.

Cryptocurrency ownership is also well regulated through Indonesia's positive legal system, which ensures that only authorized traders are allowed to sell these assets. Legitimate and surrenderable ownership is also guaranteed by digital documents issued by official depository institutions regulated by BAPPEBTI (Emmert, 2022; Romero et al., 2024). This system ensures that the traded cryptocurrency has met *the Sil'ah* criteria regarding ownership and the ability to be handed over to the buyer.

However, there have been some criticisms of cryptocurrencies' compliance with the terms of *Sil'ah*. Its highly volatile nature poses a risk of great losses for buyers, which can be considered contrary to the principle of justice in Islamic *muamalah*. In addition, even though digital documents are accepted in some contexts, some scholars still consider that physical form is an important element that cannot be replaced. Therefore, although cryptocurrencies have the potential to qualify *for Sil'ah* in Islamic law, the acceptance of these assets is still dependent on relevant regulatory developments, technological innovations, and fatwas.

Integration of Positive Law and Islamic Law in Cryptocurrency Trading

Harmonization between positive law and Islamic law in cryptocurrency trading has the potential to create a regulatory system that is fairer, more relevant, and in line with the development of

digital technology. In Indonesia's positive law, cryptocurrency has been regulated as a commodity asset based on the Regulation of the Minister of Trade Number 99 of 2018 and BAPPEBTI Regulation Number 5 of 2019, which provides legal certainty related to the management and trading of this digital asset. On the other hand, Islamic law, as explained in the 7th MUI Fatwa Commission Ulama Ijtima, stipulates that cryptocurrencies can be considered halal as commodity assets if they meet the conditions of *Sill'ah*, such as clarity of value, benefits, legal ownership, and the ability to be handed over (Fitriana & Maiza Dea Nuraini, 2023; M. H. Rohman, 2023).

This potential for harmonization can be realized through the integration of sharia principles into a positive legal framework, especially by ensuring that existing regulations support aspects of transparency, fairness, and compliance with sharia. For example, digital documents recognized in BAPPEBTI Regulation Number 13 of 2022 can be used to replace physical forms in Islamic law, as long as the system can ensure the validity, clarity, and security of transactions. In addition, the government can work with sharia authorities to develop specific standards for cryptocurrencies that are allowed to be traded, such as ensuring that the asset has a clear underlying value and does not contain *gharar* or *dharar*. With this collaboration, the regulatory system can cover the needs of modern society without neglecting Islamic principles (Novita Sari et al., 2023).

The integration of positive law and Islamic law in cryptocurrency trading has a significant practical impact on crypto asset traders, investors, and regulators. For crypto asset traders, regulatory certainty provides legitimacy and increases public trust in digital asset trading. For example, traders registered with BAPPEBTI are required to meet strict requirements, including financial reporting and transparent transactions, as stipulated in BAPPEBTI Regulation Number 5 of 2019. This not only protects traders from legal risks but also ensures that they operate within a framework that complies with sharia principles.

For investors, integrated regulation helps create a sense of security and clarity regarding the legal status of their investments, especially for Muslims considering sharia compliance. With strict supervision of crypto asset traders, the risk of fraud or asset loss can be minimized. For example, a futures clearing house that serves as a liaison between traders and customers ensures transaction integrity and the protection of investor rights (Soputro et al., 2023).

For regulators, this integration provides clearer guidance in designing policies that are not only legal but also ethical. By taking into account the MUI fatwa and the views of other scholars, regulators can develop supervisory mechanisms that support transparency and minimize the risks of *gharar* and *dharar*. In addition, regulators can facilitate public education about the risks and benefits of cryptocurrencies, as well as encourage technological innovations that support sharia compliance, such as the development of real-value or utility-based crypto assets. With this approach, the cryptocurrency trading ecosystem can become more inclusive and in line with Islamic values of justice.

A New Paradigm in Digital Asset Regulation

Cryptocurrencies as digital assets bring unique dynamics that challenge traditional regulation. The decentralized nature and anonymity of cryptocurrencies, facilitated by blockchain technology, make them different from conventional financial assets. This requires an adaptive and technology-based regulatory approach to accommodate these developments while maintaining compliance with positive law and sharia principles. In Indonesia, the government through the Commodity Futures Trading Supervisory Agency (BAPPEBTI) has responded to this need by issuing regulations such as BAPPEBTI Regulation Number 5 of 2019, which stipulates technical provisions for cryptocurrency trading, including the requirement that the traded asset must have economic benefits and transparency of value (BAPPEBTI, 2022).

However, existing regulations need to continue to evolve in line with the dynamic nature of cryptocurrency technology. For example, blockchain technology allows for traceability and

transparency, but it also presents challenges related to data privacy and security. Adaptive regulation is needed to balance the benefits of these technologies with the risks (Ashal, 2024; Lee et al., 2018). Governments can strengthen regulations by creating a legal framework that ensures cybersecurity, clarifies the obligations of crypto asset traders, and integrates ethical principles in digital technology. With this approach, regulations not only keep up with technological developments, but also support innovations that are in line with the values of justice and security.

Risk management is becoming a crucial element in cryptocurrency transactions, given the highly volatile nature of the market and the complexity of the underlying technology. A risk management strategy must include various aspects to ensure fairness, security, and legal compliance in digital asset transactions. First, strict supervision of crypto asset traders by BAPPEBTI, as required in BAPPEBTI Regulation Number 13 of 2022, helps minimize the risk of fraud. Mandatory daily and monthly transaction reports allow regulators to monitor market activity in real-time, reducing the chances of violations of the law (A Wahid et al., 2023; Fitriana & Maiza Dea Nuraini, 2023).

Second, public education is an important strategy to reduce risks faced by investors. Most of the risks in cryptocurrency transactions, such as *gharar* (uncertainty) and *dharar* (danger), arise due to the lack of public understanding of these digital assets (Butt et al., 2020). Educational campaigns designed by regulators can improve digital financial literacy, helping investors understand the characteristics of cryptocurrencies, including market volatility and risk mitigation measures.

Third, the application of risk management technology such as smart contracts and escrow systems can improve transaction security. Smart contracts allow automated transactions based on predetermined agreements, thereby reducing the risk of breach or fraud. An escrow system, where funds are held by a trusted third party until the transaction is completed, can also provide additional protection for investors. By leveraging technological innovations that are in line with positive and sharia legal principles, the cryptocurrency ecosystem can develop in a sustainable and inclusive manner.

The Future of Cryptocurrency in the Framework of Sharia Economics

Building a sharia-based digital ecosystem is an important step in supporting Islamic financial inclusion in the digital era. Cryptocurrencies, despite facing challenges in terms of regulation and sharia, have great potential to strengthen this ecosystem. One way to achieve this is through the development of digital assets that fully comply with the principles of *muamalah*, such as real value-based crypto assets or utilities. For example, in the context of Indonesian regulation, cryptocurrencies are recognized as legitimate commodity assets if they meet the requirements set by BAPPEBTI, such as having clear economic benefits and value (Romero et al., 2024).

To create a sharia-based digital ecosystem, collaboration is needed between regulators, Islamic financial institutions, and technology developers. Regulators can facilitate the establishment of sharia standards for cryptocurrencies, including transaction transparency, data security, and the involvement of sharia-compliant contracts, such as sale and purchase agreements or *wakalah* (representation). In addition, Islamic financial institutions can play an active role in offering cryptocurrency-based products, such as halal asset tokenization or blockchain-based crowdfunding platforms. This ecosystem will provide wider access to Muslim communities to participate in the digital economy without violating sharia principles (Girasa, 2023).

The underlying blockchain technology of cryptocurrencies opens up great opportunities to expand the contribution of the Islamic economy on a global scale. Blockchain offers transparency, efficiency, and security in transactions, which are in line with the values of justice and trust that prevail in Islam. One of the potential innovations is the development of smart contracts designed to comply with sharia law. Smart contracts can be used to automate sharia contracts, such as *murabahah* (buying and selling with an agreed profit margin) or *ijarah* (rent), by ensuring that all provisions are in accordance with sharia principles.

In addition, the tokenization of halal assets is one of the innovations that can push the sharia economy to the global level. Through tokenization, assets such as property, gold, or other halal commodities can be converted into digital tokens that can be traded easily and securely on blockchain-based platforms (BAPPEBTI, 2019). This not only increases asset liquidity, but also opens up halal investment opportunities for Muslim communities around the world. These innovations also enable economic inclusion, where individuals from different backgrounds can invest with small capital through a secure and transparent system.

Furthermore, the development of a sharia blockchain platform can help address the challenges of trust and compliance in global trade. By ensuring that all transactions are recorded in an immutable blockchain and follow sharia standards, the platform can become a model for halal and fair international trade. By adopting this technology, the Islamic economy has the opportunity to become a major player in global digital transformation, while still maintaining the integrity of Islamic values.

4. CONCLUSION

Cryptocurrency as a digital asset presents unique opportunities and challenges in the context of positive law and Islamic law. In Indonesia, regulations such as the Regulation of the Minister of Trade Number 99 of 2018 and BAPPEBTI Regulation Number 5 of 2019 have provided a clear legal basis for trading cryptocurrencies as commodities. This regulation not only increases the transparency and security of transactions, but also provides protection for investors and traders through strict supervision. In the perspective of Islamic law, cryptocurrencies can be considered halal as *Sil'ah* if they meet conditions such as benefits, clarity of value, legal ownership, and the ability to be handed over. Nonetheless, challenges such as volatility, *gharar* (obscurity), and lack of physical form require more innovative and technology-based approaches to ensure compliance with sharia principles.

The integration of positive law and Islamic law has great potential to create fair and relevant regulations to the development of digital technology. With a collaborative approach between regulators, clerics, and technology developers, the development of a legal framework that combines sharia principles and positive legal justice can support the growth of the sharia-based digital economy. In addition, technological innovations such as smart contracts and the tokenization of halal assets are opening up new opportunities to expand the contribution of cryptocurrencies in the global sharia economy. By ensuring that this technology is in line with Islamic principles, cryptocurrencies can become an important instrument in encouraging Islamic economic inclusion, expanding access to halal finance, and creating a fair digital ecosystem.

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