

LEGAL STATUS OF CRYPTO ASSETS AS INVESTMENT INSTRUMENT UNDER ISLAMIC LAW: AN EMPIRICAL STUDY IN INDONESIA

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Abstrak

Penelitian ini mengkaji legalitas aset kripto sebagai instrumen investasi dalam perspektif hukum Islam melalui pendekatan yuridis empiris. Data primer diperoleh dari kuesioner dan wawancara terhadap 60 responden Muslim pengguna kripto, didukung data sekunder berupa regulasi dan fatwa DSN-MUI. Hasil penelitian menunjukkan bahwa 68% responden mengetahui aset kripto telah dilegalkan oleh Bappebti sebagai komoditas, namun hanya 32% yang memahami pembatasan penggunaannya menurut Fatwa DSN-MUI No. 140/DSN-MUI/XI/2021. Selain itu, 70% responden meragukan kesesuaian praktik perdagangan kripto dengan prinsip syariah, dan 60% menilai aktivitas tersebut mengandung unsur spekulatif (maisir). Temuan ini menunjukkan adanya kesenjangan antara legalitas formal menurut hukum positif dan legitimasi normatif dalam hukum Islam, sehingga menegaskan perlunya penguatan literasi hukum Islam dan edukasi publik terkait prinsip muamalah dalam ekonomi digital.

Kata Kunci: *aset kripto, hukum Islam, investasi syariah, analisis empiris, Bappebti*

Introduction

The swift progress in technological and informational advancements, particularly following the emergence of the Industrial Revolution 4.0, has greatly simplified access to investments across multiple sectors. In earlier times, investment activities were typically conducted through traditional or face-to-face methods; however, the rise of digital innovation now allows individuals to invest conveniently using electronic devices such as smartphones, laptops, and computers. This transformation not only accelerates the spread of financial literacy and investment awareness but also contributes to the rapid expansion of investment products, encompassing both short-term and long-term options such as savings deposits, gold, property, stocks, mutual funds, and peer-to-peer lending platforms. In addition, a new investment trend has surfaced in the form of cryptocurrency a digital asset functioning as a virtual currency that facilitates online financial transactions. Despite encountering initial legal uncertainties, cryptocurrency has gradually gained traction and is increasingly recognized as a contemporary investment alternative.¹

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

Cryptocurrency essentially has two main functions: as a digital payment tool according to its original purpose, and as a commodity or digital asset commonly known as a crypto asset. A crypto asset itself is a form of digital asset that utilizes cryptographic technology and a distributed ledger system (blockchain). Currently, the government has designated crypto assets as a legitimate form of commodity for trading. In line with this, the Commodity Futures Trading Regulatory Agency (BAPPEBTI) has issued official regulations through Regulation Number 5 of 2019 concerning the Implementation of Physical Crypto Asset Markets on Futures Exchanges, as well as the Minister of Trade Regulation Number 99 of 2018 related to the General Policy on the Implementation of Crypto Asset Futures Trading. These regulations affirm that crypto assets are categorized as intangible commodities in the form of digital assets. Their characteristics include the use of cryptographic technology, peer-to-peer networks, as well as distributed ledger systems that function to control the process of creating new units, verify transactions, and maintain transaction security without the involvement of third parties.²

Regulations concerning crypto assets both for investors and market operators have emerged as a result of the growing public attention toward the presence of these digital currencies. During their initial introduction, crypto assets lacked a regulatory framework capable of providing guarantees in terms of legal certainty and protection for both investors and service providers. At present, cryptocurrencies are primarily regarded as investment instruments, with their circulation limited to trading activities; thus, they remain far from being comparable to conventional currencies in daily payment functions (Gilang Prayoga & Nanang, 2022).³ Although the Indonesian government does not explicitly prohibit crypto-based investment practices, regulatory measures are still enforced as a response to the increasing public ownership of these digital assets.

As a country with a majority Muslim population, Indonesia faces serious debates regarding the existence of crypto assets, especially if they are used as a payment instrument. Pro and contra views arise because this digital currency is considered not yet compliant with Sharia principles. This was affirmed by the Indonesian Ulema Council (MUI), which in its statement on January 8, 2023, via graduate.binus.ac.id, assessed that crypto investment does not have an underlying asset to support a legitimate value. Moreover, its price is also volatile and there is no official guarantee. Therefore, speculation is that crypto investment is most likely haram. The MUI in that note also mentioned that investing in crypto assets is considered haram. Because its value is highly fluctuating and lacks official guarantees, cryptocurrency investment is considered high risk. The Indonesian Ulema Council (MUI) even asserts that it is haram. However, if crypto assets are solely used as a medium of exchange, then their use is permissible (mubah) for parties willing to use and acknowledge them. From the perspective of state regulation, crypto assets have been legalized as commodity futures trading instruments as stipulated in Law Number 10 of 2011, which amends Law Number 32 of 1997 concerning Commodity Futures Trading. However, from the Islamic legal perspective, opinions regarding the legality of cryptocurrency remain contentious, as reflected in the

² Emiel Salim Siregar et al., "Kepastian Hukum Aset Kripto Sebagai Instrumen Investasi Dalam Perspektif Hukum Islam Dan Hukum Positif," *El-Mujtama: Jurnal Pengabdian Masyarakat* 4, no. 1 (2023): 181–92, <https://doi.org/10.47467/elmujtama.v4i1.3249>.

³ Agung Gilang Prayoga and Nanang Nanang, "Perlindungan Hukum Bagi Investor Pada Transaksi Aset Mata Uang Digital Cryptocurrency Di Indonesia," *WELFARE STATE Jurnal Hukum* 1, no. 2 (2022): 217–38, <https://doi.org/10.56013/welfarestate.v1i2.1683>.

MUI fatwa concerning its use in Indonesia. The MUI fatwa on the Legality of Cryptocurrency in Indonesia is as follows⁴,

Legal Provisions:

1. The use of cryptocurrency as a currency is legally prohibited (haram) because it contains gharar (uncertainty), dharar (harm), and contradicts Law Number 7 of 2011 and Bank Indonesia Regulation Number 17 of 2015.
2. Cryptocurrency as a commodity/digital asset is not legally valid for trading because it contains gharar, dharar, qimar (gambling), and does not meet the syar'i requirements of sil'ah, which are: having a physical form, possessing value, having a known and certain quantity, ownership rights, and being transferable to the buyer.
3. Cryptocurrency as a commodity/asset that qualifies as sil'ah and has an underlying value as well as clear benefits is legally permissible to trade. In Islamic Fiqh, clarity of the object and exchange value in every transaction is also required for it to be valid and accountable. Cryptocurrencies, which are intangible and difficult to verify with certainty, are considered not to meet these requirements. In this context, the issue raised concerns the legal certainty of investing in crypto assets in Indonesia based on Islamic law and positive law in Indonesia. Therefore, the author focuses on examining the working patterns of crypto asset transactions and reviewing their legality from the perspective of Islamic law.

Although a substantial body of scholarship has examined cryptocurrency from normative legal and Islamic jurisprudential viewpoints, much of the existing literature remains concentrated on doctrinal debates and abstract classifications of halal and haram. Empirical studies that explore how Muslim investors actually perceive, interpret, and adhere to state regulations and Sharia fatwas are still relatively scarce. This limitation is particularly apparent in the Indonesian context, where crypto assets are formally recognized as tradable commodities under positive law, yet continue to face cautious and contested interpretations within Islamic legal discourse. As a result, there is a clear need for empirical legal research that connects formal regulatory legitimacy with Sharia legitimacy as it is understood and practiced in everyday investment activities. In response to this gap, the present study investigates the legality of crypto assets as investment instruments from an Islamic law perspective using a juridical-empirical approach, integrating regulatory analysis, DSN-MUI fatwas, and the lived perceptions of Muslim crypto investors in Indonesia.

Literature Review

This literature review section discusses the theoretical basis and previous research findings that serve as a conceptual foundation for analyzing the legality of crypto assets as investment instruments from an Islamic legal perspective. This literature review aims to identify relevant Sharia principles in modern investment activities, particularly those involving blockchain-based digital assets. Through an understanding of the *maqāṣid al-syarī‘ah* theory and the concept of investment in Islamic law, this study seeks to develop a logical framework for understanding the legal position of crypto assets in the context of contemporary *muamalah* (transactions).

⁴ Dewan Syariah Nasional–Majelis Ulama Indonesia (DSN-MUI), “Fatwa Nomor 140/DSN-MUI/XI/2021 Tentang Penerapan Aset Kripto Berdasarkan Prinsip Syariah” (Jakarta: DSN-MUI, 2021).

1. Theoretical Foundation (Grand Theory)

From the perspective of Islamic law, economic and investment activities must be grounded in the principles of *Sharia*, namely justice (*adl*), public benefit (*maslahah*), and the avoidance of *gharar* (uncertainty), *maisir* (speculation/gambling), and *riba* (usury). The grand theory used in this study is the *Maqāṣid al-Syarī‘ah* theory, which emphasizes that every economic activity must aim at preserving the five fundamental objectives of *Sharia*: religion, life, intellect, lineage, and wealth (Al-Ghazali, 1997; Chapra, 2000). In this context, cryptocurrency investment is examined in terms of how it fulfills the principle of *hifz al-māl* (preservation of wealth) without violating *Sharia* prohibitions related to speculation and uncertainty.⁵

2. The Concept of Investment in Islamic Law

Islam permits investment activities as long as they do not contradict the principles of *muamalah* (social and commercial transactions). A lawful investment must have a clear object, avoid deception, and provide fair economic benefits to all involved parties⁶. Classical scholars such as Ibn Taimiyyah and Al-Syatibi emphasized the importance of transparency and fairness in financial transactions. Therefore, digital assets like cryptocurrency must be evaluated in light of these principles⁷.

3. Cryptocurrency as a Modern Financial Instrument

Cryptocurrency is a product of blockchain technology innovation that enables financial systems to operate without intermediaries (*decentralized finance*). From the conventional economic viewpoint, cryptocurrency can be treated as a digital commodity or an investment instrument with high volatility⁸. However, from an Islamic perspective, debates arise as to whether cryptocurrency can be regarded as *māl mutaqawwam* (legally recognized property), considering its lack of physical form and extreme price fluctuations⁹.

4. The Position of Cryptocurrency in Islamic Fatwas and Regulations

Several *fatwa* institutions, such as the Indonesian Ulema Council (Majelis Ulama Indonesia, MUI), have declared that the use of cryptocurrency as a means of payment is *haram* (forbidden) due to its elements of *gharar* and *maisir*. However, some scholars permit cryptocurrency as an investment asset, provided that it adheres to the prudential principle and is used as a controlled speculative instrument¹⁰. Countries such as Malaysia and Bahrain have conducted *fīqh* (Islamic jurisprudence) analyses on the use of cryptocurrency as a halal investment instrument, paying close attention to *Sharia* compliance aspects¹¹.

⁵ Wartoyo Wartoyo and Alvien Septian Haerisma, “Cryptocurrency in The Perspective of Maqasid Al-Shariah,” *Afkaruna: Indonesian Interdisciplinary Journal of Islamic Studies* 18, no. 1 (2022), <https://doi.org/10.18196/afkaruna.v18i1.14164>.

⁶ M S Antonio, *Bank Syariah: Dari Teori Ke Praktik* (Jakarta: Gema Insani Press, 2001).

⁷ A Saeed, *Islamic Banking and Interest: A Study of the Prohibition of Riba and Its Contemporary Interpretation* (Leiden: Brill, 2019).

⁸ S Nakamoto, “Bitcoin: A Peer-to-Peer Electronic Cash System,” 2008, <https://bitcoin.org/bitcoin.pdf>.

⁹ N Rahim and M Kamarudin, “Cryptocurrency and the Shariah Compliance Debate: A Review,” *Islamic Finance Review Journal* 9, no. 3 (2021): 45–59.

¹⁰ Majelis Ulama Indonesia, “Fatwa MUI Tentang Cryptocurrency” (Jakarta: Majelis Ulama Indonesia, 2021).

¹¹ A M Yusoff and F Rahman, “Shariah Analysis on the Legality of Cryptocurrency Investment,” *Journal of Islamic Finance* 6, no. 2 (2020): 12–25.

5. Conceptual Framework and Hypotheses

Based on the theories and literature reviewed above, a conceptual framework can be developed suggesting that the legality of cryptocurrency in Islam depends on the extent to which it fulfills the principles of clarity (*ghair gharar*), justice, and economic benefit. Accordingly, the hypotheses of this study can be formulated as follows:

H₁: Cryptocurrency may be regarded as a Sharia-compliant investment instrument insofar as its practical use and underlying mechanisms demonstrably align with the objectives of *maqāṣid al-syārī‘ah*, particularly the principle of *hifz al-māl* (protection of wealth), and do not involve excessive elements of *gharar* (uncertainty) or *maisir* (speculative behavior).

H₂: Scholarly assessments of the permissibility of cryptocurrency under Islamic law are significantly shaped by their interpretations of the asset's functional characteristics, risk structure, and perceived socio-economic utility within contemporary digital financial systems.

Table 1. Previous research

Author(s)	Year	Main Findings
Candrika Arivia Apriliani, Achmad Irwan Hamzani, Muhammad Wildan	2023	Menyimpulkan bahwa aset kripto di Indonesia diakui sebagai komoditas digital yang sah secara hukum berdasarkan Peraturan Bappebti No. 5 Tahun 2019, namun tidak sah sebagai alat pembayaran. Dalam perspektif Hukum Islam, kripto haram digunakan sebagai mata uang, tetapi dapat halal untuk investasi jika memenuhi syarat <i>sil’ah</i> , memiliki nilai yang jelas, dan tidak mengandung unsur <i>gharar</i> atau <i>maysir</i>
Majelis Ulama Indonesia (Fatwa DSN-MUI No. 140/DSN-MUI/VII/2021)	2021	Menetapkan bahwa mata uang kripto haram digunakan sebagai alat pembayaran, namun boleh diperdagangkan sebagai komoditas selama memenuhi prinsip <i>maslahah</i> , tidak mengandung <i>gharar</i> , dan memiliki kejelasan nilai serta manfaat.

Author(s)	Year	Main Findings
Zainuddin & Nurfatimah	2022	Menunjukkan bahwa penggunaan kripto sebagai investasi harus memperhatikan niat, objek, dan risiko. Kripto dapat diterima bila digunakan secara produktif dan bukan spekulatif, sejalan dengan maqashid al-syariah (tujuan kemaslahatan).

Source: Name. Year. Main findings

Methodology

This study uses a mixed-method approach that combines empirical legal research and normative legal analysis. The empirical approach is used to determine the perceptions and level of awareness of the Muslim community regarding the legality of crypto asset investment from an Islamic law perspective. Meanwhile, the normative approach is used to examine positive legal provisions and Sharia principles governing crypto assets, both in legislation and in the fatwas of the Indonesian Ulema Council's National Sharia Board (DSN-MUI). The integration of these two approaches is intended to provide a comprehensive picture of the research, both from a normative-regulatory and empirical-sociological perspective.

This research is descriptive-analytical in nature, describing legal and social facts as they are, then analyzing them using Islamic legal theory, particularly *maqāsid al-syarī‘ah*, to find their relevance to the practice of crypto asset investment in Indonesia.

The data in this study is divided into two types, namely primary data and secondary data:

Primary Data:

Obtained through semi-structured interviews and questionnaires involving active Muslim crypto asset investors in the city of Pontianak. These instruments were designed to capture respondents' perceptions regarding legality, sharia compliance, and risk perception in crypto investment.

Secondary Data:

Obtained from laws and regulations, regulatory documents, fatwas, and related academic literature, including:

- Law Number 10 of 2011 concerning Commodity Futures Trading.
- Bappebti Regulations Number 5 of 2019 and Number 8 of 2021.
- DSN-MUI Fatwa Number 140/DSN-MUI/XI/2021.
- Classical and contemporary literature related to *maqāṣid al-syarī‘ah* and Islamic economic law.

The population of this study is the Muslim community who has conducted transactions or invested in crypto assets in the city of Pontianak. The sampling technique used

purposive sampling, which is the selection of respondents based on certain criteria, namely those who understand and have direct experience in crypto asset investment activities.

The research sample consisted of:

1. 10 respondents for in-depth interviews, and
2. 50 respondents for online questionnaires.

This number is considered sufficient to provide a general picture of the community's perception patterns and level of understanding, although it is not intended for statistical generalization.

Data collection techniques were carried out in two main ways:

1. Questionnaires, which contained closed and open questions to measure the respondents' level of sharia literacy, legal awareness, and investment behavior.
2. In-depth interviews, which were used to explore respondents' reasons, understanding, and arguments regarding the halal and legality of crypto asset investment in the view of Islamic law.

Data analysis was conducted using a qualitative descriptive approach, supported by simple quantitative summaries (such as percentages and frequency tables) to show empirical trends.

The analysis consisted of three main steps:

1. Data Reduction: grouping respondents' responses based on main themes such as legality, sharia compliance, and risk perception.
2. Data Presentation: presenting the results through narrative descriptions and supporting tables/graphs.
3. Interpretation: interpreting findings based on the *maqāṣid al-syarī‘ah* framework, particularly the principles of *hifz al-māl* (preservation of wealth), *‘adl* (justice), and avoidance of *gharar* (uncertainty) and *maisir* (speculation).

The integration of empirical findings and doctrinal analysis allows researchers to systematically and measurably link public perceptions with Islamic legal theory.

This research methodology is designed to provide a comprehensive understanding of the legality and sharia compliance of crypto asset investment in Pontianak. A mixed-method approach combining normative and empirical analysis allows researchers to examine regulatory aspects as well as social realities in the field.

Through the integration of legal data, DSN-MUI fatwas, and survey and interview results, this study is expected to produce objective and contextual analysis. The use of the *maqāṣid al-syarī‘ah* theory as the main framework ensures that the assessment of crypto investments is not only based on formal legal aspects, but also on the values of benefit, justice, and prudence in Islamic law. Thus, this methodology provides a strong scientific basis for further analysis and can be a reference for the development of Sharia economic law studies in the era of digital finance.

The validity of the findings in this study is strengthened through the application of a mixed-method approach that integrates empirical legal research with normative legal analysis. The empirical component was conducted through the distribution of questionnaires to 50 respondents, consisting of active Muslim crypto asset investors in the City of Pontianak, as well as in-depth interviews with 10 key informants to explore

their understanding, arguments, and normative considerations in a more comprehensive manner. The normative approach was employed to examine positive legal provisions and Sharia principles governing crypto assets, as stipulated in statutory regulations and the fatwas issued by the National Sharia Council of the Indonesian Ulema Council (DSN-MUI).

The integration of these two approaches enables the study to present a more holistic analysis, not only from a regulatory and doctrinal perspective, but also from the sociological dimension of law that reflects social practices and public perceptions. Data validity is further enhanced through source triangulation, by systematically comparing questionnaire results, interview findings, and relevant normative legal provisions, thereby allowing the consistency between empirical realities and the legal framework to be critically assessed.

The questionnaire instruments were structured to measure respondents' levels of legal awareness, Sharia literacy, and risk perception related to crypto asset investment. Meanwhile, semi-structured interviews facilitated a deeper exploration of respondents' reasoning and interpretive frameworks in assessing the halal status and legality of crypto investment. The development of these research instruments was grounded in the prevailing regulatory framework and contemporary Islamic legal literature, ensuring an adequate level of content validity.

At the analytical stage, this study employs *maqāṣid al-syarī‘ah* as the primary evaluative framework, particularly the principles of *ḥifẓ al-māl* (protection of wealth), *‘adl* (justice), and the avoidance of *gharar* (uncertainty) and *maysir* (speculation). This approach allows for a more substantive assessment of crypto asset investment practices by positioning formal legality in relation to the ethical objectives and public interest considerations inherent in Islamic law. The integration of qualitative analysis with simple quantitative summaries derived from questionnaire data also serves to clarify empirical trends and enhance the transparency of the findings.

Notwithstanding its methodological strengths, this study is subject to several limitations that warrant critical consideration. First, the geographical scope of the research is limited to the City of Pontianak, rendering the findings highly contextual and influenced by local social, economic, and religious characteristics. Accordingly, the results are not intended to be statistically generalized to the broader Muslim population in Indonesia.

Second, the use of purposive sampling in selecting the 50 questionnaire respondents and 10 interview participants was intended to ensure that participants possessed direct experience in crypto asset investment. However, this sampling strategy inherently limits the representativeness of the sample and may exclude perspectives from segments of the Muslim community with lower levels of legal and Sharia literacy or limited engagement in crypto-related activities.

Third, the relatively modest number of respondents allows the study to capture perception patterns and levels of understanding in a descriptive manner, but remains insufficient for more robust statistical inference. Moreover, the research focuses primarily on legal awareness and perceived Sharia compliance, thereby leaving technical and financial dimensions of crypto asset investment such as market volatility, technological risks, and macroeconomic implications outside the scope of in-depth analysis.

In light of these limitations, the findings of this study should be interpreted as a contextual and descriptive-critical analysis, rather than as definitive normative conclusions with universal applicability. Nevertheless, the study makes a meaningful

academic contribution by highlighting the gap between regulatory legality and Sharia legitimacy in crypto asset investment practices. It also provides a foundation for future research with broader geographical coverage, comparative approaches, and more robust quantitative methodologies within the field of Islamic economic law in the era of digital finance.

Result and Analysis

Investment, or capital investment, is essentially a form of collaboration between a fund owner and a fund recipient who requires capital support to run their business. In other words, investment can be understood as a business activity undertaken by individuals or legal entities to develop and maintain the value of their assets. Investments take various forms, ranging from cash, business equipment, property, intellectual property rights, to specific skills or expertise.

The development of investment in Indonesia is inseparable from various factors, and one of the most influential is the role of legal regulations that provide a sense of security for investors ^{12 13}.

Currently, the direction of the business world is undergoing a major shift. Transaction activities are no longer based on physical money but are beginning to penetrate the digital world. This shift opens up new space for broader investment opportunities, particularly in the field of digital currencies. Digital money or cryptocurrency, which is built with a complex cryptographic system, is present as a form of modern financial innovation that is difficult to counterfeit or duplicate without the legitimate permission of its owner.

Research Result

This study relies on primary data collected through an in-depth questionnaire distributed to ten active crypto asset users in Pontianak City, accompanied by an online survey of fifty Muslim respondents with experience investing in digital assets. Data collection took place from September 22 to October 29, 2025, with the primary focus being to assess respondents' understanding of the legal status of crypto assets in Indonesia, their views on their compliance with Sharia principles, and their level of compliance with fatwas and regulations governing digital investment practices.

The questionnaire provided a quantitative picture reflecting respondents' level of legal literacy and religious awareness regarding the legality and permissibility of crypto assets. Sixty-eight percent of respondents were aware that crypto has been legalized as a commodity by the Commodity Futures Trading Regulatory Agency (Bappebti), indicating a general understanding that these digital assets have gained legal legitimacy within the national economic system. However, only 32% of respondents understood the limitations on crypto use as stipulated in the DSN-MUI Fatwa No. 140/DSN-

¹² Richart Sahatatua et al., "Role of Investment Law in Indonesia's Economic Recovery Efforts," *Journal of Multidisciplinary Academic and Practice Studies* 2, no. 3 (2024): 257–59, <https://doi.org/10.35912/jomaps.v2i3.2218>.

¹³ Nike Cahyaningrum et al., "Dinamika Regulasi Hukum Investasi Dan Dampaknya Terhadap Kepastian Bisnis," *Jurnal Riset Rumpun Ilmu Sosial, Politik Dan Humaniora* 4, no. 3 (2025): 407–19, <https://doi.org/10.55606/jurrihs.v4i3.5798>.

MUI/XI/2021, which explicitly distinguishes between the use of crypto as a medium of exchange (prohibited) and as a commodity (permitted under certain conditions).



This finding was further supported by in-depth interviews with several crypto asset users. One informant (N1), a 22-year-old investor, stated:

“I understand that the government has established regulations for crypto assets and recognizes them as secure for use however, I still lack a complete understanding of the DSN-MUI’s ruling on whether such assets are considered halal or haram.”

A similar view was expressed by another participant (N4), who said:

“In my opinion, crypto investment is permissible as long as we understand the object of investment and ensure that it involves no elements of deception.”

Meanwhile, a more cautious perspective was shared by another respondent (N7, 28 years old):

“I am interested in crypto because of its high potential, but I still have doubts about whether its trading practices are truly free from speculative elements prohibited in Islam.”

These interviews indicate that most market participants base the legitimacy of crypto investment primarily on positive law, while their understanding of Sharia principles remains partial and intuitive.

Survey data further reveal that 70% of respondents expressed uncertainty about whether crypto trading complies with Sharia law, and 60% believed that it contains speculative (*maisir*) elements.

This uncertainty reflects a level of moral awareness about potential Sharia violations, yet also demonstrates a limited conceptual understanding of *gharar* (uncertainty) and *maisir* (excessive speculation) in the context of digital assets.

Overall, these findings highlight that Muslim crypto investors in Indonesia possess low levels of Sharia and legal literacy, despite the formal legalization of crypto trading by the

government.

These empirical findings provide an important basis for further analytical interpretation, particularly in understanding the theoretical and practical implications of crypto asset legality from the perspective of Islamic law.

Theoretical Contribution

This study offers a theoretical contribution to Islamic economic law by highlighting how legal norms surrounding crypto asset investment are understood and applied in practice by Muslim investors. Rather than focusing solely on doctrinal debates, this research brings empirical evidence into the discussion by showing that many investors equate state recognition of crypto assets with Sharia permissibility, even when specific religious restrictions clearly exist.

By combining survey data and interview findings with normative Islamic legal analysis, this study demonstrates that Sharia compliance in the digital economy is often interpreted in a practical and intuitive manner, rather than through a comprehensive understanding of Islamic legal principles. The use of the *maqāṣid al-syārī‘ah* framework allows this research to move beyond a formalistic reading of legality and instead examine how ethical objectives such as justice, protection of wealth, and avoidance of uncertainty are perceived and internalized. In doing so, this study contributes to the broader discourse on Islamic law as a living system that interacts dynamically with technological and economic change.

Practical Contribution

From a practical perspective, this study provides important insights for regulators, religious authorities, and the Muslim investor community. The empirical findings indicate a low level of Sharia and legal literacy among Muslim crypto investors, particularly regarding the distinction between permissible and prohibited uses of crypto assets under Islamic law. This highlights the urgent need for more systematic public education and socialization of Sharia principles related to digital finance.

For regulatory bodies such as Bappebti and related government institutions, the study underscores the importance of complementing formal regulation with clear investor protection mechanisms and transparent communication, especially in addressing public uncertainty about legal safeguards in cases of fraud or loss. Meanwhile, for religious institutions particularly the DSN-MUI the findings suggest the necessity of disseminating fatwas in a more accessible and practical manner, using language and platforms that align with the digital experiences of contemporary investors.

Practically, this study can serve as a reference for policymakers and Islamic financial educators in designing literacy programs that integrate positive law compliance with Sharia ethical objectives, thereby fostering a more informed, responsible, and Sharia-conscious approach to crypto asset investment in Indonesia.

Analysis

The findings of this study reveal a noticeable gap between the formal legal recognition of crypto assets under Indonesian law and their acceptance among Muslim investors when assessed through the lens of Islamic legal principles. Empirically, most

respondents demonstrated awareness that crypto assets are legally regulated by the state, yet this awareness was not accompanied by a comparable understanding of the Sharia-based requirements governing their permissibility.

Survey data show that 68% of respondents were aware that crypto assets have been officially recognized by the Commodity Futures Trading Regulatory Agency (Bappebti). This suggests that state regulation plays a significant role in shaping perceptions of legitimacy among investors. However, this regulatory awareness contrasts with the limited understanding of Sharia norms, as only 32% of respondents indicated familiarity with the substantive provisions of DSN-MUI Fatwa No. 140/DSN-MUI/XI/2021, particularly regarding the prohibition of crypto as a medium of exchange and its conditional permissibility as a tradable commodity.

These findings indicate that respondents tend to rely heavily on formal legality as a proxy for permissibility, while Sharia legitimacy is often treated as a secondary consideration. In Islamic legal reasoning, however, state recognition does not automatically imply permissibility, as Sharia compliance is assessed based on substantive principles such as the avoidance of *gharar* (uncertainty), *maisir* (speculation), and unjust harm (*dhulm*). The limited engagement with these principles suggests that Sharia norms have not yet been fully internalized in everyday investment practices.

The data further demonstrate a prevailing sense of uncertainty among Muslim investors regarding the Sharia status of crypto assets. Approximately 70% of respondents expressed doubts about whether crypto trading complies with Islamic law, while 60% perceived crypto investment as inherently speculative (*maisir*). This pattern reflects a form of ethical awareness, where respondents recognize potential Sharia concerns but lack the conceptual tools to evaluate them systematically.

Insights from in-depth interviews reinforce this conclusion. Several respondents acknowledged the financial potential of crypto assets but simultaneously expressed hesitation about their permissibility from an Islamic perspective. This indicates that assessments of *halal* and *haram* are often made intuitively, based on personal judgment rather than structured legal reasoning. From the perspective of *maqāṣid al-syārī‘ah*, this condition points to a need for stronger emphasis on *hifz al-‘aql*, particularly through improved Sharia and legal literacy in the context of digital finance.

Overall, Sharia principles appear to function more as moral reference points than as binding normative standards in the daily decision-making of investors. This reflects the broader challenge of translating abstract Islamic legal concepts into practical guidance within rapidly evolving technological and financial environments.

Legal Certainty and Perceived Gaps in Investor Protection

Despite the existence of a regulatory framework governing crypto assets, the study reveals persistent concerns regarding legal certainty and investor protection. While 68% of respondents acknowledged that crypto assets are regulated by Bappebti, a significantly higher proportion 72% reported feeling insufficiently protected in cases of financial loss, fraud, or technical failure. This perception highlights a disconnect between the formal presence of regulation and its perceived effectiveness at the user level.

This situation aligns with Soerjono Soekanto's concept of the gap between *law in books* and *law in action*, where legal norms exist formally but fail to function effectively in social practice. In this study, regulatory legitimacy has not been accompanied by clear mechanisms for dispute resolution or consumer protection that are easily understood by

investors. As a result, legal recognition alone does not translate into a sense of security or trust.

Respondents' uncertainty regarding reporting channels, institutional responsibility, and tax obligations further indicates that existing regulations have not been sufficiently internalized. These findings suggest that legal certainty, from the perspective of investors, depends not only on the existence of regulations but also on their clarity, accessibility, and practical enforceability.

Bridging Positive Law and Maqāṣid al-Syarī‘ah in Digital Investment Practices

From an Islamic legal perspective, the findings underscore the importance of integrating regulatory legality with the ethical objectives of Sharia. The empirical data indicate that Muslim investors often prioritize economic opportunity and regulatory approval, while normative considerations rooted in maqāṣid al-syarī‘ah remain underdeveloped. This pragmatic orientation suggests that Islamic law operates as a form of *living law*, shaped by technological change and economic experience rather than solely by doctrinal texts.

At the same time, this does not reflect a rejection of Sharia values. Instead, it illustrates an adaptive process in which investors seek to reconcile religious norms with digital innovation. The challenge lies in ensuring that this adaptation remains grounded in core Sharia principles, including justice ('adl), balance (tawāzun), and the preservation of wealth (hifz al-māl).

Overall, the findings confirm that formal legality under positive law does not automatically result in Sharia legitimacy, nor does it eliminate ethical uncertainty among Muslim investors. Addressing this gap requires not only clearer and more effective regulation but also stronger engagement from religious institutions in providing contextual and practical Sharia guidance for digital investment activities.

Analytical Implications

In summary, this study demonstrates that Muslim investors' evaluation of crypto assets is shaped by a combination of regulatory awareness, ethical uncertainty, and limited integration between legal and Sharia frameworks. The coexistence of legal recognition and moral hesitation highlights the complexity of governing digital financial practices within a plural legal system.

By combining empirical findings with maqāṣid al-syarī‘ah as an analytical framework, this study provides a contextual understanding of how Islamic law functions in the digital economy. Such an integrative approach allows legal certainty and Sharia legitimacy to be examined as interconnected dimensions of responsible investment practice in Indonesia's evolving crypto asset landscape.

Conclusion

The results of this study indicate that the legality of crypto in Indonesia lies at the intersection of positive legal legitimacy and normative Islamic legal provisions. From a national regulatory perspective, the recognition of crypto as a commodity supervised by Bappebti confirms that this digital asset is legally traded within the legal framework of futures trading. However, from an Islamic legal perspective, the legal status of crypto still requires in-depth interpretation due to aspects of gharar (unlawful behavior), speculation, and potential non-compliance with the principles of maqāṣid al-syarī‘ah (laws of justice and prudence).

Empirical analysis of crypto users in Indonesia indicates a gap between legal awareness and understanding of Sharia principles. The majority of respondents are aware of the legality of crypto under state law, but only a small proportion understand the limitations on its use according to DSN-MUI Fatwa No. 140/DSN-MUI/XI/2021. This situation demonstrates the need for an integrative approach between state regulations, religious fatwas, and public education to ensure that people's investment behavior aligns with the principles of justice and Sharia prudence.

Thus, strengthening Sharia legal and economic literacy is a key urgency in the digital investment ecosystem. The government, financial authorities, and religious institutions need to collaborate to formulate guidelines that adapt to technological innovation while remaining grounded in Sharia values. Only with such synergy can crypto function beyond mere speculative instruments and become an ethical, productive, and equitable investment vehicle in accordance with Islamic principles.

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