

THE RISK OF USING CRYPTOCURRENCY (BITCOIN) AS ZAKAH PAYMENT IN INDONESIA BASED ON MUI FATWA

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ABSTRACT - According to its function, money is not only a medium of exchange but also a value or a count. Cryptocurrency is money that does not have a tangible form that can be touched as currency in general but only blocks of data that are validated because they have been bound by hashes. The use of Bitcoin is not strictly supported by the government because it is an unbound asset and its instability as a tangible asset caused by the high volatility of Bitcoin. This research analyzes the implementation of Saddu Dzari'ah principle in the use of cryptocurrency (bitcoin) as zakat payment, focusing on the analysis of MUI Fatwa No. 13 Year 2011 on the Law of Zakat on Haram Assets. The research method used is qualitative research with data analysis techniques through inductive and descriptive. The data is obtained from the results of documentation and literature data collection. The law of using Bitcoin in the view of scholars is that some allow transactions and some do not. Cholil Nafis from NU and Fatwa Muhammadiyah said that the use of Bitcoin includes transactions that contain gharar and harm. In MUI Fatwa No. 13 of 2011, it is stated that haram assets are not allowed to be zakaah because zakat must be from objects that are purely halal in terms of acquisition and the assets themselves. In the perspective of Sadd Al-Dzari'at, the Indonesian Ulama' have issued a haram fatwa for Zakat on Haram Assets. This is a reinforcement that Cryptocurrency (Bitcoin) brings problems. In fiqh rules, it is explained that rejecting mafsadat (damage) takes precedence over attracting benefits.

Keywords: Bitcoin, Cryptocurrency, Productive Zakat, Saddu Dzari'ah

ABSTRAK – Risiko Penggunaan Cryptocurrency (Bitcoin) Sebagai Pembayaran Zakat Di Indonesia Berdasarkan Fatwa MUI. Menurut fungsinya, uang tidak hanya sebagai alat tukar menukar tetapi juga menjadi suatu nilai atau suatu hitungan. Cryptocurrency merupakan uang yang tidak mempunyai wujud yang dapat disentuh sebagaimana mata uang pada umumnya namun hanya block data yang tervalidasi karena telah terikat hash. Penggunaan Bitcoin tidak didukung oleh pemerintah secara tegas karena merupakan aset yang tidak terikat serta ketidakstabilannya sebagai aset berwujud yang disebabkan oleh tingginya volatilitas Bitcoin. Penelitian ini menganalisis implementasi prinsip Saddu Dzari'ah dalam penggunaan cryptocurrency (bitcoin) sebagai pembayaran zakat, dengan fokus pada analisis Fatwa MUI No. 13 Tahun 2011 tentang Hukum Zakat atas Harta Haram. Metode penelitian yang digunakan adalah penelitian kualitatif dengan teknik analisis data melalui induktif dan deskriptif. Data diperoleh dari hasil dokumentasi dan pengumpulan data kepustakaan. Hukum penggunaan Bitcoin dalam pandangan ulama ada yang membolehkan melakukan transaksi dan ada yang tidak. Cholil Nafis dari NU dan Fatwa Muhammadiyah mengatakan bahwa penggunaan Bitcoin termasuk transaksi yang mengandung gharar dan kemudharatan. Dalam Fatwa MUI No. 13 Tahun 2011 disebutkan bahwa harta yang haram tidak diperbolehkan untuk dizakati karena zakat harus dari benda yang murni halal dari segi perolehan maupun harta itu sendiri. Dalam perspektif Sadd Al-Dzari'at para Ulama' Indonesia telah mengeluarkan fatwa haram untuk Zakat dari Harta yang Diharamkan. Ini menjadi penguat bahwasanya Cryptocurrency (Bitcoin) mendatangkan permasalahan. Dalam kaidah fiqh dijelaskan bahwa menolak mafsadat (kerusakan) lebih diutamakan dari pada menarik kemaslahatan.

Kata Kunci: Bitcoin, Cryptocurrency, Zakat Produktif, Saddu Dzari'ah.



INTRODUCTION

The evolution of currency use is now increasingly dynamic and moving quickly (Faiz et al., 2019). Historically, Islam is a universal creed so that all forms of rules of faith, morals, and sharia will not be eroded by the times. Islam teaches everything on earth, including absolute things such as technology and other sciences for the benefit of the people. In Islam, science is the main thing so that the degree and dignity of man can increase because the degree of man is not only about good morals and faith but also with the development of science. The development of the times can be seen from human life today, which began with the economy of the barter system (exchange of goods) which functions as money until the issuance of currency for buying and selling tools, then the use of coins and paper money (Wijaya, 2018). After that, the use of debit and cashless cards that use applications on smartphones to facilitate money management because users do not need to hold money physically in the wallet with just one smartphone grip can be used for everything. The evolution continues along with the increasingly sophisticated use of digital.

The role of money increases in terms of its function, because money is not only a tool for exchange but has a function to measure a value or units of account, hoard assets (store of value), and delay repayment (standard of deferred payments), and for now it can be used for commodity tools (Darmawan, 1992). The development of the economy is advancing from time to time to this day, all forms of exchange of both goods and services are getting faster too. Therefore, an operation is needed that can keep up with the speed of payment exchanges quickly, safely, and efficiently as well.

In the past, precisely in 1946, people used cards as a tool for transactions to replace money as its function. The use of these cards is done to make it easier to make transactions for an item so that people do not have to bother carrying a lot of money and can avoid criminal acts. Along with technological advances, the use of money is getting easier by replacing the cash payment system (cash) into electronic payments using an application on a smartphone so that it can facilitate payment transactions. With the development of digital finance, it is easier for people to make transactions faster and easier. Another advantage of using digital finance is the ease with which users can carry out all forms of transactions, return payments, and fill



in digital finance through various facilities provided by related parties (Azizi, 2020)

In April 2020, a website katanada.id said that digital finance is growing rapidly, until the time it was published the use of digital finance had reached 412.1 million people and continued to grow until the following month with a total of 36.9 million uses fluctuating (Jayani, 2020). The number of uses often increases from time to time until in June there were 353.6 million. With this data, it is evident that the use of electronic finance is growing rapidly in the lives of Indonesians towards digital transactions (Annur, 2022)

But at present, the application of the fiat system in the implementation of digital transactions still has limitations on the regulatory rules set by the state so that it has limitations in terms of privacy, inflation, costs in transactions, and so on. These limitations cause problems in the community in conducting digital transactions, but over time some people have innovations to overcome these problems by using a new type of digital currency that protects privacy and without interference from third parties. The idea was realized with the use of Cryprography-based transactions. Another function of Cryprography is as a support for social life against buying and selling transactions in digital finance, namely Cryptocurrency. What is meant by Cryptocurrency is digital finance that uses a secret code-based security system or cryptography. One of the first forms of cryptocurrency is Bitcoin which continues to develop along with the times in conducting legitimate digital transactions such as the function of money. Bitcoin is a network that has a function as the latest transactions and digital finance. In addition, Bitcoin is a network for decentralized peer to peer transactions that can be managed by users and there is no connection from third parties or intermediaries that were first created

Bitcoin is a digital payment instrument that replaces the function of money, but there are pros and cons from several countries regarding this currency. Bitcoin finance in Indonesia is still said to not meet the requirements as a transaction in accordance with Law No. 7 of 2017 article 1 paragraph 1 which states that proper money in Indonesia is money issued by the government in Indonesia, namely in the form of Rupiah (Rp) since ancient times. The use of Bitcoin is not only digital transactions, but is used in all forms of transactions in people's lives including Islam in various parts of the



world. Until now, Bitcoin can be used to pay zakat in various parts of the world (Maulida, 2018)

Despite the pros and cons of Bitcoin, there are certain parties who accept zakat payments through digital money including Bitcoin. In this case, zakat is an obligation for Muslims. Islam regulates the payment of zakat in the third pillar of Islam (Pranata et al., 2022). Zakat itself is an obligation that has a connection in the form of a Muslim's property. Shackwell Lane Mosque in Hackney London is one of the instruments for receiving zakat through digital finance such as crypto which is still being considered halal haram. The concept of bitcoin used as a digital transaction and payment of zakat is still debated among scholars who are seen in terms of its benefits and mafsadat for the benefit of Muslims. Based on the problems described above, this research will focus on digital currency with the formulation of the problem of how the risk of handling muzakki in paying zakat with cryptocurrency transactions (bitcoin). The purpose of the research is to find out the view of Islamic law in accordance with MUI Fatwa No. 13 of 2011 concerning Zakat Law on the use of bitcoin in the implementation of zakat payments in terms of Sharia law in terms of benefits and mudharat for the benefit of Muslims.

METHODOLOGY

The use of methods in the research conducted is qualitative which has naturalistic (natural) characteristics, with descriptive analysis, focusing on the process with critical and reflective in analyzing inductively on general matters towards specificity, and providing in-depth interpretation in the research. The research was conducted using the type of library research or literature. The acquisition of data sources is obtained by using the Qur'an, hadith, journals and various online media from several trusted websites.

The nature of this research is perspective, which means describing a law about the permissibility or not of Bitcoin practices in making sales, purchases, and other payments made by analyzing materially or practically using Islamic Sharia legal sources. This research is analyzed by using the method of normative Islamic law approach and researched by determining the concrete law in the use of Bitcoin which is in line with MUI fatwa No. 13 of 2011, related to the permissibility of using Bitcoin in accordance with Islamic rules. The acquisition of data in the research that will be carried out by being researched based on inductive or deductive. Analysis using the inductive



method is carried out to find out the concept of Bitcoin as a whole digital finance. While research using deductive aims to analyze related to Sharia law in using digital finance (Bitcoin).

RESULT AND DISCUSSION

Definition of Cryptocurrency (Bitcoin)

Cryptocurrency is money in electronic form with the same function as other legal tender transactions. Although the function is the same, crypto has a difference with other finances, namely cryptocurrency is money that does not have a form that can be touched as currency in general but only validated data blocks because it has been bound by hash. The use of Bitcoin is not explicitly supported by the government because it is an unbound asset and its instability as a tangible asset is caused by the high volatility of Bitcoin. Therefore, many Islamic experts state that the use of Bitcoin is gharar. Based on the description that has been presented above, it can be concluded that Bitcoin is not a currency that is suitable for use and the State authorized institutions are not willing to issue these finances. According to the Bank Indonesia Law, Bitcoin is illegal digital money so it cannot carry out transactions in various forms (Wijaya, 2018).

The Qur'an Surah An-Nisa' [4:5] explains the rules of money, namely:

فِيهَا وَارْزُقُوهُمْ قِيمًا لَكُمْ اللَّهُ جَعَلَ الَّتِي آمَوَالِكُمُ السُّفَهَاءَ تُؤْتُوا وَلَا
مَعْرُوفًا قَوْلًا لَهُمْ وَقُولُوا وَانْكُسُوهُمْ

Meaning: “*And do not hand over to those who are not yet of sound mind the property (in their power) which Allah has given you as a means of livelihood. Give them food and clothing (from the produce of that wealth) and speak to them good words.*” (Qs. An-Nisa' [4:5])

The sentence above uses the description of wealth, Qiwwam. The expression is intended for everything that is formed as a maintainer, supporter, and support for others. The sentence is the true essence of money, namely as a means and infrastructure created by Allah SWT as the maintenance of a worldly system. The means is used as the achievement of a goal and not including the goal itself. The ultimate goal of money according



to the Islamic view is as a support for worldly affairs towards a comfortable final goal in the hereafter (Akbar & Huda, 2022).

In addition to its advantages, Bitcoin currency has many disadvantages such as having no intrinsic value not based on assets (underlying assets), not having an authority institution that is sheltered and accountable, not having clear ownership so that it is prone to criminal acts such as fraud and financial laundering. Bitcoin value fluctuations are based on market demand, both demand and supply. If there is a lot of demand but little circulation, the Bitcoin price level will increase, but if on the contrary, the value will decrease. From these fluctuations, Bitcoin currency is classified as a gambling transaction category. Bitcoin currency has a “convertibility risk” which is that it does not have a guarantor of exchange against conventional fiat money, let alone volatility with inflated prices.

The Qur'an explains about assets that resemble the use of Bitcoin, which is found in two verses that underlie the law of Bitcoin instruments as business transactions and investments, in Surah An-Nisa' [4: 29]:

يَا أَيُّهَا الَّذِينَ ءَامَنُوا لَا تَأْكُلُوا أَمْوَالَكُمْ بَيْنَكُمْ بِالْبُطْلِ إِلَّا أَنْ تَكُونَ
تِجَارَةً عَنْ تَرَاضٍ مِّنْكُمْ وَلَا تَقْتُلُوا أَنْفُسَكُمْ إِنَّ اللَّهَ كَانَ بِكُمْ
رَحِيمًا

Meaning: “O you who have believed, do not eat from each other's wealth by means of false means, except in trade that is consensual between you. And do not kill yourselves. Indeed, Allah is Merciful to you.” (Qs. An-Nisa' [4:29]).

And Surah Al-Maidah [5]: in verse 90, namely:

مِّن رَّجْسٍ وَالْأَزْلَامِ وَالْأَنْصَابِ وَالْمَيْسِرِ الْخَمْرُ إِنَّمَا أُمِنُوا الَّذِينَ يَأْتِيهَا
تُفْلِحُونَ لَعَلَّكُمْ فَاجْتَنِبُوهُ الشَّيْطَانُ عَمَلٍ

Meaning: “O you who believe! Verily, drinking, gambling, sacrificing to idols, and casting lots with arrows are abominable and the works of the devil. So avoid them so that you may prosper.” (Qs. Al-Maidah [5] : 90)



Definition of Saddu Adz-Dzari'ah

The word Saddu Adz-Dzari'ah has two sentences literally, namely the word Saddu as Mudlaf and the word Al-Dzari'ah as mudlaf ilaih. The word saddu is masdar from the verb sadda-yasuddu-saddan which means the opposite of opening, while Adz-Dzari'ah means means or wasilah. From these two meanings, it can be concluded that saddu adz-dzari'ah is a cover or barrier to all roads that lead to sin and damage (Takhim, 2020).

Meanwhile, according to the term, Saddu Adz-Dzari'ah is to prevent something that can cause al-mafsadah (damage), if it will cause mafsadah. preventing mafsadah can be said to be obligatory because actions that cause damage are prohibited. For example, buying and selling grapes is originally permissible, because grapes are included in the category of fruits that can be eaten or halal. However, if the sale is made to someone who uses grapes as an ingredient to make alcohol, then the law becomes impermissible or prohibited. The transaction becomes prohibited because it avoids mafsadah. The mafsadah occurs because making grapes into an intoxicating substance, which is prohibited for consumption (Rafiqi et al., 2019).

The word al-Dzari'ah in Islam is a method used to determine the law in Islam. However, there are some who state that the term dzari'ah is everything that brings about things that are forbidden or have harm. Mrs. Qayyim Al-Jauziyah (691-751/1292-1350 AD/Hambali jurist), stated that the term dhari'ah is specific to everything that is forbidden, which is not correct because there is still a dhari'ah that has a purpose for something that is recommended. Therefore, the opinion of the term dhari'ah is more established as a general characteristic. Dzari'ah has two meanings, namely something forbidden, namely Sadd al-Dzari'ah and something that must be done, namely Fath al-Dzari'ah (Fawaid, 2019).

Varieties of Saddu Adz-Dzari'ah

Dzari'ah originally is all behavior that is seen from the causes and consequences so that preventive restrictions are needed (prevention). The division of the sentence al-Dzari'ah, revealed by Muhammad Abu Zahrah and al-Farisi quoted from al-Qurthubi, explains that al-Dzari'ah is divided into four parts according to the Usuliyin group, namely: (Amin, 2020) The First, Al-Dzari'ah that clearly causes mafsadah. Such as making a spring by digging



in a dark public place. The ushuliyin agreed that this is absolutely forbidden; second, Al-Dzari'ah that rarely causes mafsadah. For example, cultivating grapes. Although it is possible that the grapes are used to make intoxicating drinks, this possibility is rare. So the ushuliyin did not prohibit the cultivation of grapes; the third, Al-Dzari'ah is based on a strong presumption of causing harm. For example, buying and selling grapes to a person or company that makes alcohol. The ushuliyin agree that this is prohibited; and fourth Al-Dzari'ah that often causes mafsadah, but only based on ordinary assumptions. Such as conducting transactions with a credit system, because the assumption of the credit system brings mafsadat to the debtor. In this category, there is ikhtilaf (difference of opinion) among the ushuliyin, namely some allow it and some do not allow it.

Thus, the meaning of the phrase dhari'ah must be studied first from the cause and effect of an action depending on its benefit and then the shara' law and the impact of mafsadah that will occur in the future.

The Position of Saddu Adz-Dzari'ah as a Source of Islamic Law

Saddu Adz-Dzari'ah is a method of determining a law but there is ikhtilaf from the scholars' regarding Saddu Adz-Dzari'ah, there are some scholars who agree but some are against it. Ikhtilaf among the scholars' occurs in three parts of the scholars' views, namely: 1) scholars who approve and use it; 2) scholars who only disapprove; 3) scholars who reject it entirely (Arafah, 2020).

In everyday life, there are many new problems that require a law that decides it Shar'i, including the technology used in this modern era, so that the scholars are required to dynamize Islamic law on these problems. Saddu Adz-Dzari'ah is a method used by scholars' ushul fiqh in a preventive measure to solve contemporary problems in its application which must be avoided nafsyu shaitan and based on science with faith and devotion in formulating a sharia law to carry out the orders of the god of the creator of nature.

According to Moh. Mahrus in his writing entitled Application of Al-Dzari'ah and Al-Hazlah Islamic Law Perspective explains that the application of Saddu Adz-Dzari'ah takes precedence over fath al-Dzari'ah. This is in line with the rule of dar'ul mafasid muqaddam ala jaibil masalih (rejecting damage takes precedence over attracting benefits). In addition, he also assumes that



when Saddu Adz-Dzari'ah is implemented, the spirit of fathal-Dzari'ah will also be realized (Mahrus, 2009).

An example of a contemporary problem is Bitcoin. As revealed by Hifdhotul Munawaroh in the Journal entitled Sadd Al-Dzari'at and its Application to Contemporary Fiqh Issues, that Indonesian Ulama 'experts have issued a fatwa regarding the Law of Zakat on Haram Assets. This reinforces that Cryptocurrency (Bitcoin) makes a calm situation an object of research that causes problems. MUI Fatwa No. 13 of 2011 explains that Islam does not prohibit knowledge that brings people in benefit. But if the knowledge contains harm to oneself and others, then Islam prohibits these actions in order to maintain the benefit of the people. Therefore, the fiqh rules explain that rejecting mafsadat (damage) takes precedence over attracting maslahat (benefit).

Legal Application of Bitcoin in Zakat Payment Tools

The law of using Bitcoin is equated by experts as selling fish that are still in the water. First, Al-ashl (original law), namely making sales and purchase transactions of fish that are still in the water, second, Furu' (part that includes Ashl), namely making Bitcoin buying and selling transactions on a website; third, Ashal law, namely the law of selling and buying fish is haram; fourth, 'illatul hukmi (similarity of the two legal diseases), namely the quality and quantity of both transactions that are not clear. Therefore, making transactions from these two objects can be said to be haram because it contains gharar (unclear) in the contract.

Basically, using Bitcoin is permissible, this is in line with the rule “the original law of everything is permissible, until there is evidence that prohibits it” but when viewed in practice, the use of Bitcoin produces several effects that are stated in maqâsid al-syar'iyah, which is included in the category that can cause harm to people related to intentionality because basically people who will make transactions must find out in advance about a knowledge that benefits them. Therefore, Bitcoin actors know the disadvantages and negative effects but still make transactions using Bitcoin intentionally. However, there are also actors who use Bitcoin only for convenience and benefits and have no intention of harming others. However, the effects caused by its use are certain, so the mudharat effect is greater and takes precedence over the benefit.



The harm caused by Bitcoin falls into the ḥâjjiyyât category and can increase to the ḍarûriyyât stage, because it is in the form of property that has value and is included in several categories in maqâsid al-syar'iyah that must be maintained and guarded. The wealth in the five elements is included in the ḍarûriyyât category which will cause damage if ignored because wealth is a worldly matter so that the implementation of religion can run well. Bitcoin transactions can cause higher mafsadat than the resulting benefits. The level of benefit of using Bitcoin is ḥâjjiyyât, but the harm caused is in a category higher than ḥâjjiyyât, namely ḍarûriyyât. When viewed from Maqasid Al-Syariah, the use of Bitcoin is included in something that is avoided because rejecting damage takes precedence over getting benefits. This explanation is in line with the rule “rejecting damage is favored over attracting maslahat” (Dara et al., 2020).

The Views of Scholars in Indonesia and London UK on Bitcoin as a Zakat Payment Instrument

The scholars and religious leaders are still debating and further studying Bitcoin and other digital finance as well as other currencies that are used as transactions by conducting various considerations in terms of benefits and mafsadat. In a Bahsul Masail PWNu East Java on February 10-11, 2018 in Tuban stated regarding digital or virtual money in the results of the East Java PWNu Bahtsul Masail Decision, namely Bitcoin currency is included in “Virtual Treasure”, which is allowed to make transactions and invest. So that the currency is also required to pay zakat (Syamsudin, 2018).

Based on the description explained above, Bitcoin is included in the category of dâyun and dâin which literally means debt and credit. In the perspective of fiqh muamalah, property is a responsibility. Therefore, property that is still in debt must be resolved immediately because the property is the responsibility of the person who borrowed. In fiqh Muamalah, Harta dâin is included in the category of clarification of property dividers along with property a'in (property that has a form such as motorcycles, cars, houses, and others). Mafhum mukholafah that can be understood from the treasure of dâin is a treasure that does not have a form such as finance assets. While ain assets are assets that have a form such as cars, houses and others. Therefore, property is categorized in everything that has value, can be owned, and is useful.



Bitcoin is included in the class of digital or virtual assets that are general when compared to the use of digital or virtual currency phrases. In terms of its generality, the two objects have different laws, namely belonging to the category of currency and other valuable assets such as silver and gold. While money is also a treasure, but treasure is not just money but something that has value and is valuable (Nurillah, 2018).

The definition of property is explained by contemporary scholars, namely something that can be used as a person's ownership and can be utilized. In addition, Imam Shafi'i said that something that has value and material in society can be used as property. From the description that has been presented, that something valuable, both tangible and intangible can be declared as treasure. According to Mubahitsin, Bitcoin is a treasure that has no form and cannot be touched and controlled but has a valuable value like tangible property (Djamil, 2013).

Bitcoin is said to have value because of the trust and agreement of the actors involved in it so that it makes Bitcoin have a valuable value and is used as a tool for making transactions. However, if the actors involved in carrying out Bitcoin transactions assume that the object has no price or value, then Bitcoin currency is not included in the category of assets. In simple terms, the currency is declared a valuable treasure because the perpetrators who give price and value to Bitcoin.

The scholars who allow payment of zakat with Bitcoin say that as long as Bitcoin is considered as property (maal), can be traded (mua'awadah) and is not prohibited goods such as alcohol or pork, then its use to pay zakat is acceptable (Tektona & Safilia, 2020). In addition, it must be guaranteed that the amount of Bitcoin paid meets the requirements of zakat, and must be paid directly to the legitimate recipient of zakat. The main requirements referred to are the zakat nishab of 85 grams of gold per year, as well as the obligation to spend 2.5% of zakat (Fiqh Zakat, 2024).

In Hackney, London, UK, the Ramadan Mosque opened a zakat service in Bitcoin and Ether in 2018. The Ramadan mosque is the first mosque in the UK, and possibly the world, to accept zakat fitrah and shodaqoh donations in Bitcoin and Ether and receive payments directly from mustahiks in various parts of the world such as Dubai, India and Mauritius (Ludwianto et al., 2018).



The idea of paying zakat and donations with Bitcoin has also been implemented in Malaysia via the GlobalShodaqoh financial platform launched in 2020. Bitcoins from zakat or donations will be converted into fiat money before being distributed (Abdullah et al., 2022).

Zakat with Bitcoin also exists in Indonesia, an initiative started by Islamic finance company Blossom Finance. Blossom accepts payments in cryptocurrencies by directly initiating blockchain transactions to their wallets on exchanges before being converted to fiat for distribution. Blossom accepts zakat payments in Bitcoin, Ethereum, USDT and other cryptocurrencies. All zakat collected by Blossom is distributed to the poor and needy, especially widows and orphans in Central Java and Sumatra, through Blossom's network of cooperatives and non-profits in Indonesia. Although the practice has begun, this does not mean that paying zakat with Bitcoin has been fully accepted. The current mainstream view is even less friendly to Bitcoin, categorizing it as haram, both as a medium of exchange and an investment asset.

However, according to the MUI fatwa, crypto that qualifies as sil'ah and has clear underlying and benefits is legal to trade. A research by a Jember State University (Unej) lecturer concluded that zakat with Bitcoin can be said to be haram because it contains speculative elements (gharar) and cannot be used as zakat payment.

Referring to MUI Fatwa No. 13/2011 on the Law of Zakat on Haram Assets, it is stated that haram assets cannot be the object of mandatory zakat. Other studies have argued that crypto can be categorized as wealth (maal) and therefore can be the object of zakat or waqf. However, crypto assets that fall into this category are limited to those backed by real commodities, such as gold-based AABBG, silver-backed AGX, and Petro for crude oil. In practice, paying zakat using Bitcoin has its own complications. The value of Bitcoin, which is much more volatile than fiat currencies, makes calculating the zakat that must be paid quite troublesome. If someone pays zakat with Bitcoin today, for example, it is very possible that its value will change drastically a week later, up or down 5% for example. If the price goes up, there will be an excess, if the value goes down, there will be a shortage.

Paying zakat with bitcoin is still very problematic at least for now. There is no clear consensus among scholars on whether zakat can be paid with bitcoin. However, if one wishes to pay zakat with Bitcoin, then it is necessary



to consider the different opinions and ensure that the use of Bitcoin complies with the Islamic principles of Zakat.

Bitcoin as a Zakat Payment Tool

Paying zakat using Bitcoin is still rarely practiced at this time because there is still debate from various parties from its use. If based on the opinion of the East Java PWNU which states that Bitcoin is included in the nuqud category which has similarities with dain, Bitcoin can and even must be zakati. In the literature of Sharia Economic Law (KHES) in Article 678, it is argued that if the wealth has fulfilled one nishab and the time has reached one year, it must be zakati (Mughits, 2008).

KH Cholil Nafis, Chairman of the MUI Da'wah Commission, stated that the use of Bitcoin is allowed in making transactions for those who use and recognize Bitcoin as a currency that can be used as a tool like money. However, if Bitcoin is used as a tool for investing, it is declared haram because basically Bitcoin is only a speculation tool that cannot be used as a tool for investing and not a business tool to produce (Subagja et al., 2018). From the above, but many from various parties say to turn away from using Bitcoin because it includes transactions that are gharar (uncertainty) and cause great kemudharatan (damage) rather than maslahatan (benefits). Therefore, making transactions using Bitcoin is included in the prohibited category because it creates gharar and is not allowed to be a tool for making zakat payments. In MUI Fatwa No. 13 of 2011 concerning the Law of Zakat on Haram Assets, it is said that prohibited assets are not allowed to pay zakat because the zakat issued must be wealth that is purely halal in terms of its acquisition or the asset itself.

The Indonesian Ulema Council Institute expressed several opinions regarding the law of Cryptocurrency but it is still debated because there are still pros and cons among Ulama' in Indonesia. However, on November 9-11, 2021 in the seventh Ijtima' Ulama Fatwa Commission of the Indonesian Ulema Council explained the law of Cryptocurrency which stated several provisions, as follows: the first, Cryptocurrency is used as a transaction tool such as the function of money, so it is haram because cryptocurrency has gharar and dharar and is inversely proportional to Bank Indonesia Regulations and Law No. 7 in 2011. Second, Cryptocurrency is forgotten as an asset or digital commodity, the law is not allowed if it is used as a sale and purchase



transaction because there is gharar, qimar dharar, and it is not a condition of siláh in Islam because it does not have a form, ownership rights that can be transferred and also has a known value. And third, Cryptocurrency is used as an asset or commodity from the conditions that must be met from siláh and underlying that has clear benefits, so it is permissible to make sale and purchase transactions. But if seen from the Ijtima, cryptocurrency is used for transactions as a function of money, it is forbidden because there is dharar or gharar in it.

The beginning of Bitcoin was created by someone who used a disguised name named Satoshi Nakamoto, the name is listed in a Bitcoin Whitepaper that provides information and the project was abandoned at the end of 2010. But in the previous year in 2009 the publication of the first Bitcoin specifications and concepts.

The actual pioneer of Bitcoin is not known for certain. This is also related to (gharar). (Saskia & Pertiwi, 2023)

The legal basis of MUI Fatwa is based on the words of Allah SWT in Surah Al-Baqarah [2]: 267:

يَا أَيُّهَا الَّذِينَ ءَامَنُوا أَنْفِقُوا مِنْ طَيِّبَاتِ مَا كَسَبْتُمْ وَمِمَّا أَخْرَجْنَا
لَكُمْ مِنَ الْأَرْضِ ط وَلَا تَيَمَّمُوا الْخَبِيثَ مِنْهُ تُنْفِقُونَ وَلَسْتُمْ بِآخِذِيهِ إِلَّا
أَنْ تُغْمِضُوا فِيهِ ۗ وَاعْلَمُوا أَنَّ اللَّهَ عَنِّي حَمِيدٌ

Meaning: “O you who believe, spend some of what you have earned and some of what We bring forth from the earth for you.” (Qs. Al-Baqoroh [2]: 267)

And Hadith narrated by Muslim:

Any wealth that is forbidden in terms of its substance or the way it is obtained is not allowed to be spent in the way of Allah SWT. Because Allah only accepts what is good. “Verily, Allah is good and accepts nothing but what is good.”



The cleanliness of the contract is required to avoid various haraam elements such as gharar and riba in conducting transactions (Tuasikal, 2020).

“A contract is valid if there is no element of oppression, gharar (uncertainty) or riba in the transaction.” (Sharh Al-Mumthi', 9:120)

Bitcoin works the same way as fiat money, if used as money in general. However, cash or debit receipts are preferred as the money is received in physical form. The method of payment and acceptance depends on each country in a zakat institution in paying zakat (Mujani et al., 2022).

CONCLUSIONS

The law of using Bitcoin in the view of scholars is that some allow transactions and some do not. If Bitcoin is used as a tool for investing then the law is haram because basically Bitcoin is only a speculation tool that cannot be used as a tool for investment. Cholil Nafis from NU and Muhammadiyah Fatwa said that the use of Bitcoin includes transactions that are gharar (unclear) and cause greater kemudharatan (damage) than maslahat (benefits). Therefore, transactions using Bitcoin are prohibited due to gharar, including if it is used as a tool to make zakat payments. In MUI Fatwa No. 13 of 2011, it is stated that haram assets are not allowed to be zakaah because zakat must be from objects that are purely halal in terms of acquisition and the assets themselves. The basis taken by MUI fatwa is in the word of Allah SWT in QS. Al-Baqoroh [2]: 267, namely: “O you who believe, spend some of the fruits of your good labor and some of what you bring forth from the earth for you.”

In view of Sadd Al-Dzari'at regarding Bitcoin, Indonesian Ulama' have issued a fatwa related to the Law of Zakat on Haraam Assets. The fatwa is a reinforcement that Cryptocurrency (Bitcoin) brings problems. In MUI Fatwa No. 13 of 2011 explains that Islam does not prohibit knowledge that provides benefits to mankind. But if this knowledge contains harm to oneself and others, then Islam prohibits these actions in order to maintain the benefit of the people. Therefore, the fiqh rule explains that rejecting mafsadat (damage) takes precedence over attracting benefits. So from the explanation above, it can be concluded that paying zakat with crypto is not valid because it causes harm to oneself and others.



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