



Evaluating Cryptocurrency as Property: A Study of Its Digital Existence and *Shari'ah* Legal Classification in Contemporary *Fiqh al-Mu'āmalāt*

Mengevaluasi Mata Uang Kripto sebagai Properti: Sebuah Studi tentang Keberadaan Digitalnya dan Klasifikasi Hukum Syariah dalam Fiqh al-Mu'āmalāt Kontemporer

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Abstract

This study aims to evaluate cryptocurrency as property by examining its digital existence (*al-wujūd al-ḥukmī*) and its compatibility with classical *fiqh* principles and modern accounting standards. The research employs a qualitative methodology using a descriptive-analytical library-based approach. The analysis integrates classical *fiqh* criteria—such as *taqawwum* (value), *intifā'* (benefit), *imkān al-taslīm* (possibility of delivery), and *ḍamān* (guarantee)—with asset-recognition parameters in IFRS and US-GAAP, including identifiability, control, and future economic benefits. Data were collected from *fiqh* literature, academic publications on crypto-assets, and international accounting standards. The findings indicate that cryptocurrency possesses legal existence (*al-wujūd al-ḥukmī*) through digital control mechanisms, blockchain verification, and its ability to be owned, transferred, and measured reliably. These characteristics fulfill the essential elements of property in *fiqh*, particularly utility, transferability, and value guarantee. In addition, the adoption of cryptocurrency offers socio-economic benefits, including financial inclusion, more efficient remittances, individual economic empowerment, and increased transaction transparency. These findings suggest that cryptocurrency is not fictitious wealth but rather a functional digital resource with recognized economic value. This study concludes that cryptocurrency may be classified as *al-māl ḥukmī* and is suitable for use in *mu'āmalah* contracts, provided that it is free from *ghārār* (excessive uncertainty) and *maysir* (gambling) and complies with the principles of transparency and certainty. The theoretical contribution of this study lies in developing an integrative *fiqh-accounting* framework that provides a normative basis for assessing the legal status of digital assets and establishing Shari'ah governance standards for cryptocurrency.

Kata Kunci:

Mata Uang
Kripto;
al-Mal;

Abstrak

Penelitian ini bertujuan untuk mengevaluasi cryptocurrency sebagai harta dengan mengkaji eksistensi digitalnya (*al-wujūd al-ḥukmī*) serta kesesuaiannya dengan prinsip-prinsip *fiqh* klasik dan standar

al-Wujūd al-Hukmī;
Yurisprudensi Komersial Islam;
Rantai Blok;
Aset Digital.

akuntansi modern. Penelitian ini menggunakan metodologi kualitatif, dengan pendekatan deskriptif-analitis berbasis pustaka. Analisis mengintegrasikan kriteria fiqh klasik—seperti *taqawwum* (nilai), *intifāʿ* (manfaat), *imkān al-taslīm* (kemungkinan pengiriman), dan *ḍamān* (jaminan)—dengan parameter pengakuan aset yang terdapat dalam IFRS dan US-GAAP, termasuk identifikasi, kontrol, dan manfaat ekonomi di masa depan. Data dikumpulkan dari literatur fiqh, publikasi akademis tentang aset kripto, dan standar akuntansi internasional. Temuan menunjukkan bahwa mata uang kripto memiliki eksistensi hukum (*al-wujūd al-hukmī*) melalui mekanisme kontrol digital, verifikasi blockchain, dan kemampuannya untuk dimiliki, ditransfer, dan diukur secara andal. Karakteristik ini memenuhi unsur-unsur penting properti dalam fiqh, khususnya utilitas, transferabilitas, dan jaminan nilai. Selain itu, adopsi mata uang kripto menawarkan manfaat sosial-ekonomi, termasuk inklusi keuangan, pengiriman uang yang lebih efisien, pemberdayaan ekonomi individu, dan peningkatan transparansi transaksi. Hasil ini menunjukkan bahwa mata uang kripto bukanlah kekayaan fiktif melainkan sumber daya digital fungsional dengan nilai ekonomi yang diakui. Studi ini menyimpulkan bahwa mata uang kripto dapat diklasifikasikan sebagai *al-māl hukmī* dan cocok untuk digunakan dalam kontrak *muʿāmalah*, selama bebas dari *ghārār* (ketidakpastian yang berlebihan) dan *maysir* (perjudian) serta mematuhi prinsip transparansi dan keterpastian. Kontribusi teoritis penelitian ini terletak pada pengembangan kerangka kerja fiqh-akuntansi integratif yang memberikan dasar normatif untuk menilai status hukum aset digital dan untuk menetapkan standar tata kelola Syariah untuk mata uang kripto.

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INTRODUCTION

Background of the Problem

The development of blockchain technology has given rise to a new form of digital wealth known as cryptocurrency. Since the introduction of Bitcoin in 2009, this digital asset has grown rapidly and has become increasingly recognized within the global financial system as both an investment instrument and an alternative medium of exchange (Elsayed, 2025; Stupak, 2025). Reports from the (Ratha et al., 2009) and the (Divergences, 2023) indicate that cryptocurrency transactions have increased exponentially in many developing countries, including Indonesia, due to their ability to provide greater efficiency, transparency, and financial accessibility compared to conventional banking systems (El Hajj & Farran, 2024). However, this growth has been accompanied by various legal and ethical concerns, particularly regarding the acceptance of cryptocurrency as a lawful asset within *Sharīʿah*.

In Islamic law, the validity of a *muʿāmalah* contract requires that the object of the transaction (*maʿqūd ʿalayh*) possess a clearly identifiable existence (*al-wujūd*), a recognized benefit (*al-manfaʿah*), and a legally accountable value (*al-taqawwum*). A central concern arises from the fact that cryptocurrency lacks a physical form and is not backed by tangible, real-world assets, thus prompting debate regarding its legitimacy

as *sil'ah* (a lawful tradable commodity) or *naqd sharī'ah* (*Sharī'ah*-compliant currency). Some scholars view cryptocurrency as a speculative entity containing elements of *gharar* and *maysir*, whereas others argue that it represents a legitimate form of economic value so long as it adheres to principles of transparency and utility (Mansour Nomran et al., 2024).

Identification of the Problem

Differences among Islamic legal schools further intensify this debate. The Hanafī school generally restricts the concept of *al-māl* to tangible objects that can be physically possessed and controlled, whereas the *jumhūr fuqahā'* adopt a broader understanding by recognizing intangible entities and usufructs that possess economic value and utility. These differing perspectives become increasingly relevant in evaluating contemporary digital assets such as cryptocurrency. At the same time, modern accounting standards, such as IFRS and US-GAAP, classify crypto-assets as intangible assets because they meet criteria for identifiability, control, and future economic benefits. This recognition indicates that cryptocurrency possesses measurable economic substance despite lacking physical existence.

Previous studies have examined this issue from various perspectives. (Corbet et al., 2022) and (Senner & Sornette, 2019) investigated the volatility and speculative risks associated with cryptocurrency, whereas (Abadi et al., 2023) and (fselawee & Al Fahoum, 2023) explored its legal status within the framework of *fiqh mu'āmalah*. Economic studies such as (El Hajj & Farran, 2024) highlighted the contribution of cryptocurrency to financial inclusion and economic empowerment, while accounting research by (Dragomir & Dumitru, 2023) and (Lee, 2023) affirmed that crypto-assets are recognized as intangible assets under IFRS and US-GAAP. Nevertheless, most of these studies remain sectoral in nature and have yet to establish a theoretical framework that connects the concept of property (*al-māl*) in classical *fiqh* with the asset-recognition criteria of contemporary accounting standards.

The research gap lies in the absence of studies that bridge these two domains—*fiqh mu'āmalah* and modern accounting—in assessing the legal existence (*al-wujūd al-ḥukmī*) of digital assets. Yet, a conceptual integration between the four classical criteria of property (*taqawwum*, *intifā'*, *qābil li al-naql*, *qābil li al-ḍamān*) and accounting parameters such as identifiability, control, and future economic benefits is essential for constructing a comprehensive digital-asset assessment framework aligned with *maqāsid al-sharī'ah*.

Research Question

This study focuses on several main questions. First, does cryptocurrency possess a valid form of legal existence (*al-wujūd al-ḥukmī*) according to the principles of *fiqh al-mu'āmalāt*? Second, to what extent does cryptocurrency fulfill the criteria of *al-māl* in classical Islamic jurisprudence? Third, how do *fiqh* perspectives and modern accounting analysis perceive the digital existence of cryptocurrency as an asset or property? Fourth, can cryptocurrency be classified as *al-māl ḥukmī* and used as a lawful object in *mu'āmalah* contracts under Sharī'ah principles?

Research Objective and Benefit

Building on this background, the present study aims to examine the eligibility of cryptocurrency as *al-māl* (property) from the perspective of *fiqh mu'āmalah* by

analyzing its ontological status (*al-wujūd*) and its utilitarian value (*al-manfa‘ah*), and by linking these dimensions to asset-recognition criteria in modern accounting systems. This study seeks to address a fundamental question: can crypto-assets be regarded as lawful property (*al-māl ḥukmī*) under Islamic law, given their non-physical nature yet verifiable and transferable digital existence?

Scientifically, this study offers a novel contribution in the form of an integrative *fiqh-accounting framework* that classifies crypto-assets as *al-māl ḥukmī*—a category of digital property recognized both legally and economically. This synthesis is expected to broaden the horizons of *fiqh mu‘āmalah* in addressing contemporary digital-asset phenomena while providing a normative foundation for regulators and Shari‘ah boards in formulating policies and governance standards for blockchain-based assets.

THEORETICAL AND CONCEPTUAL FRAMEWORK

Theoretical Framework

This study is grounded in the legal-ethical logic of *fiqh al-mu‘āmalāt* that requires the object of a transaction (*ma‘qūd ‘alayh*) to have a recognizable existence (*al-wujūd*), a lawful and meaningful benefit (*al-manfa‘ah*), and a legally accountable value (*al-taqawwum*). These requirements become contested in the case of cryptocurrency because it lacks physical form, yet it is digitally verifiable and widely utilized, creating a need to reassess “existence” in contemporary transactions. The manuscript positions its theoretical gap in the limited integration between classical *fiqh* property theory and modern accounting asset-recognition criteria, arguing that bridging both domains is essential to evaluate digital assets consistently within a *maqāsid al-shari‘ah*-oriented framework.

Within classical jurisprudence, *al-māl* (property) is theorized through two major lenses. The Hanafi approach tends to restrict *al-māl* to what can be possessed and controlled in a concrete sense, emphasizing *iḥrāz/ḥiyāzah* (possessibility/control) and socially recognized utility (*intifā‘*) while excluding purely abstract entities. By contrast, the *jumhūr fuqahā’* broaden property to include anything with compensable value (*ḍamān*)—meaning that if it is destroyed, one is liable to compensate—thereby allowing intangible benefits (*manfa‘ah*) and rights (*ḥaqq*) to fall within the scope of property when they carry recognized economic value. This theoretical difference matters because cryptocurrency’s status depends on whether non-physical but valuable and controllable entities can be treated as property.

A further doctrinal anchor is the principle that selling non-existent or unclear objects is prohibited due to *gharar* (avoidable uncertainty), supported by juristic consensus that transactions over items that do not exist at contract time are invalid when uncertainty creates potential harm. At the same time, the manuscript notes that certain unavoidable and customary uncertainties may be tolerated in commercial practice. This theory frames the “existence problem” of crypto-assets: the key question is whether their non-physicality constitutes prohibited non-existence, or whether their existence can be recognized in another legally meaningful form.

To connect Islamic legal theory with contemporary economic systems, the study also draws on accounting theory regarding asset recognition. Cryptocurrency is discussed as having a legitimate digital existence through blockchain records and cryptographic control (e.g., public/private keys and verifiable ownership), while modern standards are described as classifying crypto-assets as intangible assets (or inventory depending on purpose) under IFRS and as intangible digital assets under US-GAAP rather than cash or financial assets. The accounting lens emphasizes identifiability, control, future

economic benefits, and reliable measurement—elements used to justify that crypto-assets are not fictitious but economically substantive digital resources.

Conceptual Framework

Conceptually, the manuscript advances an integrative *fiqh*–accounting framework that evaluates cryptocurrency as property by aligning four classical *fiqh* property criteria—*taqawwum* (*Sharī'ah*-recognized value), *intifā'* (utility), *imkān al-taslīm* (deliverability/transferability), and *ḍamān* (guaranteeability/compensability)—with modern asset-recognition parameters such as identifiability, control, and future economic benefits. This integration is proposed as the analytical roadmap for determining whether a crypto-asset's digital characteristics can satisfy both normative *Sharī'ah* requirements and contemporary accounting notions of an asset.

Operationally, the framework begins by conceptualizing crypto-assets through two central dimensions emphasized in the manuscript: ontological status (*al-wujūd*) and utilitarian value (*al-manfa'ah*), and then tests these dimensions against the integrated criteria. When cryptocurrency demonstrates legal/functional existence (*al-wujūd al-ḥukmī*) via verifiable digital ownership and transfer mechanisms, and when it also exhibits recognized utility and measurable value, it can be theorized as *al-māl ḥukmī* (legally recognized digital property). However, the framework remains conditional: even when classified as property, the permissibility of using cryptocurrency as an object of *mu'āmalah* depends on avoiding *gharar* and *maysir* and upholding transparency and deliverability as governance principles.

METHODOLOGY

This section outlines the research approach, design, and methodological framework employed to examine the status of crypto-assets as *al-māl* (property) within the perspectives of *fiqh mu'āmalah* and contemporary accounting. The study is structured to explore the compatibility of Islamic legal principles with the emergence of modern digital assets through a conceptual, normative, and interdisciplinary analysis.

This research adopts a qualitative approach using a library-based method (library research) characterized by descriptive-analytical and comparative techniques. This approach is selected because the core of the inquiry lies in the normative analysis of the concept of *al-māl* (property) in both classical and contemporary Islamic jurisprudence, as well as its application to digital-asset phenomena such as cryptocurrency. The qualitative–normative research design enables the identification of *Sharī'ah* legal principles relevant to the existence and legitimacy of crypto-assets as objects of *mu'āmalah*, while also facilitating comparison with the legal and economic frameworks of modern accounting systems.

The study employs an interdisciplinary approach that integrates the *fiqh mu'āmalah* approach to assess the *Sharī'ah* legitimacy of crypto-assets and the accounting standard approach (based on IFRS and US-GAAP) to examine their economic existence. The analysis also incorporates a comparative approach to evaluate differing views among the schools of Islamic jurisprudence—particularly between the Hanafī tradition and the *jumhūr fuqahā'*—in defining *al-māl* and *al-wujūd*, as well as their relevance to the recognition of intangible assets within modern accounting systems.

The data sources for this research consist of both primary and secondary materials. Primary data are derived from classical *fiqh* literature. Secondary data include contemporary scholarly publications such as (Lee, 2023), (Dragomir & Dumitru, 2023),

and (El Hajj & Farran, 2024), alongside international accounting standards (IFRS and US-GAAP), which serve as key references for the classification of crypto-assets within the global economic context.

Data collection was conducted through a systematic literature review by identifying and selecting authoritative sources from *fiqh* literature, economic law studies, and reports issued by international financial institutions. Each data source was analyzed using content analysis and comparative reasoning to assess the alignment, divergences, and relevance of *fiqh* principles in relation to the characteristics of crypto-assets. The analysis proceeded in several stages, beginning with the conceptual classification of *al-māl*, followed by an examination of the *al-wujūd al-ḥukmī* (legal existence) of crypto-assets, and culminating in the evaluation of their suitability as objects of contract within *fiqh mu'āmalah*.

As an analytical framework, the study employs the principles of *taqawwum* (Sharī'ah-recognized value), *intifā'* (utility), *imkān al-taslīm* (deliverability), and *qābil li al-ḍamān* (guarantee ability) as the primary *fiqh* criteria. These principles are then aligned with modern accounting parameters such as identifiability, control, and future economic benefits to construct an analytical integration between Islamic legal norms and contemporary asset theory. Through this methodological approach, the study aims to produce a robust normative synthesis in assessing both the legal status and economic viability of crypto-assets as *al-māl ḥukmī* (legally recognized digital property).

RESULTS AND DISCUSSION

The Legal Principle of Object Existence in Sales Contracts: A *Fiqh*-Based Analysis of the Prohibition of Trading Non-Existent Items

According to Al-Zuhayli (1997), Islamic law requires that the object of a sales contract must exist at the time the contract is concluded. For this reason, it is invalid to sell something that has not yet come into existence, such as fruit that has not yet grown, an animal fetus in the womb, or milk that remains in the udder.

This prohibition is based on several Prophetic traditions (*ḥadīth*) that forbid practices such as *bay' al-ḥabal al-ḥabalah* (selling an unborn animal fetus), *bay' al-sinin* (forward sales for several years), and *al-mu'āwamah* (selling future harvests for multiple years). Another report from Abū Hurayrah (raḍiyallāhu 'anhu) states that the Prophet (ﷺ) forbade transactions involving excessive uncertainty (*gharar*) (Muslim).

Imam al-Nawawī emphasizes that selling non-existent items is invalid by scholarly consensus (*ijmā'*), as such transactions contain elements of *gharar* that may lead to harm or unfair loss for one of the parties. The term *gharar* refers to avoidable uncertainty or ambiguity.

However, if the uncertainty is unavoidable and necessary in commercial practice, the contract remains valid according to the agreement of the jurists. Examples include selling a house without inspecting its foundation, purchasing a pregnant animal, or selling a goat along with the milk in its udder.

Thus, the fundamental principle is to avoid transactions involving items that do not yet exist or whose existence is unclear, except in cases where the uncertainty is considered normal, negligible, and unavoidable within common commercial practices.

Utility Value as the Essence of Property: A Comparative Analysis Between the Hanafī School and the *Jumhūr Fuqahā'*

Etymologically, *al-māl* refers to anything that can be possessed and controlled by humans in a concrete manner, whether in the form of tangible objects or usufructs (*manāfi'*) (Al-Zuhayli, 1997).

In Islamic jurisprudence, scholars have articulated two major perspectives regarding the definition of *al-māl*.

First, according to the Hanafī school, *al-māl* encompasses anything that can be possessed (*ihrāz*), controlled (*hiyāzah*), and generally utilized (*intifā'*). Accordingly, an item qualifies as property if it meets two essential criteria: (1) it can be owned and physically controlled, and (2) it possesses a benefit that is socially recognized and customary (*urf*). Items that cannot be controlled—such as air, sunlight, or abstract entities like knowledge and honor—are not classified as property. Likewise, objects with no benefit or only minimal benefit from a societal perspective do not fall under the category of property. An item attains the status of property only when its utility can be continuously derived and when its value is recognized by society, whether broadly or within specific communities (Al-Zuhayli, 1997).

Second, according to the *jumhūr fuqahā'* (the majority of scholars apart from the Hanafī school), *al-māl* is defined as anything possessing value such that one who destroys it is legally liable to compensate for it. This definition emphasizes the economic value (*qimah māliyah*) of an item and aligns closely with modern legal conceptions of property.

Thus, in Islamic jurisprudence, *al-māl* encompasses anything that possesses recognized utility and can be lawfully owned, whether in the form of tangible objects or usufructs, so long as its value is acknowledged within societal norms (Al-Zuhayli, 1997).

The Hanafī school defines *al-māl* (property) in a narrowly restricted manner, limiting it to tangible objects that can be physically perceived and possessed (Al-Zuhayli, 1997). Within this view, usufruct (*manfa'ah*) and rights (*haqq*) do not fall under the category of property; instead, they are considered components of ownership (*milk*). The rationale is that usufructs and rights are intangible, cannot be directly possessed, and lack permanence, as they naturally expire over time.

In contrast, the *jumhūr fuqahā'* (the majority of scholars) maintain that usufructs and rights are included within the category of property. They argue that the primary purpose of an object lies in the benefit it provides, not merely in its physical substance. Thus, usufructs such as residing in a home or using a vehicle, as well as rights such as ownership rights or rights of passage, possess economic value and may be owned and transferred.

The Hanafī school restricts the meaning of *al-māl* to something concrete (*maḥsūs*)—that which can be controlled (*hiyāzah*), possessed (*ihrāz*), and practically utilized (*intifā'*). Consequently, abstract or non-physical entities such as knowledge, honor, or intellectual property are not regarded as property under the classical Hanafī definition.

Conversely, the *jumhūr fuqahā'*—comprising the Mālikī, Shāfi'ī, and Ḥanbalī schools—adopt a broader understanding. They define property as anything that holds value and is subject to compensation (*damān*) when destroyed, without requiring physical existence. Therefore, usufructs (*manfa'ah*)—despite being abstract or non-material—remain classified as property according to the majority view, as long as they possess recognized economic value.

Accordingly, something is categorized as property if it possesses value acknowledged by Shari'ah, provides lawful utility, can be transferred and guaranteed, and has clearly defined ownership. These principles form the foundation for assessing the legitimacy of contemporary assets such as cryptocurrency as lawful objects of *mu'āmalah*, provided that all requisite criteria are fulfilled (Abadi et al., 2023; Fahmi, 2023) Selçuk & Kaya, 2021).

Digital Existence as the Basis of Property: A *Fiqh* and Accounting Analysis of Crypto-Assets

(Lee, 2023) emphasizes that although cryptocurrency does not possess a physical form like banknotes or precious metals, it has a legitimate digital existence from both economic and accounting perspectives. The existence of cryptocurrency is realized through encrypted data units that are permanently recorded on a blockchain network operated under Distributed Ledger Technology (DLT). Each crypto unit contains a digital address (public key) and a private key, which together serve as verifiable and transparent proof of ownership through mathematical validation processes.

In modern accounting standards, IFRS classifies cryptocurrency either as an intangible asset or as inventory, depending on the purpose of its holding. Meanwhile, US-GAAP categorizes it as an intangible digital asset rather than cash or a financial asset, because it does not represent a contractual claim to another value. Accordingly, the form of cryptocurrency is inherently digital and embedded within a decentralized network that records all transactions publicly in an immutable ledger.

Economically, cryptocurrency possesses a tangible form of existence because it can be owned, transferred, valued, and reported in financial statements, and it can influence a firm's performance, particularly during periods of economic instability. Therefore, cryptocurrency cannot be regarded as a fictitious asset but rather as a digital asset with real economic substance, recognized within modern legal and accounting systems.

According to Chan (2023), crypto-assets possess valid legal existence despite their lack of physical form. Cryptocurrency is not a material object but a digital entity endowed with transactional ability—that is, the capacity to conduct, validate, and transfer value legitimately within a decentralized blockchain network.

The existence of cryptocurrency lies in its functional and operational capacity within the blockchain system, not in any physical structure that can be touched. Due to its intangible yet exclusive nature, cryptocurrency can be owned, transferred, and legally protected in the same manner as other forms of property. Consequently, within modern legal perspectives, cryptocurrency is recognized as a digital object with real economic value—an entity that is not fictitious but a legitimate object of law both functionally and economically.

(Dragomir & Dumitru, 2023) affirm that crypto-assets possess a real form of existence in digital form, even though they lack physical substance. Cryptocurrency functions as a digital representation of value or rights that can be stored, transferred, and exchanged through Distributed Ledger Technology (DLT). This system secures the authenticity, integrity, and ownership of the asset through a decentralized cryptographic mechanism operating on an immutable ledger.

The existence of cryptocurrency is manifested through encrypted data stored in a digital wallet—whether hardware-based or software-based—which serves as both proof of ownership and the means of exercising control over the asset. Thus, despite lacking physical form, cryptocurrency carries measurable economic substance and can be controlled, thereby meeting asset-recognition criteria in financial reporting.

According to the International Financial Reporting Standards (IFRS) framework, cryptocurrency is classified as an intangible asset because it fulfills the elements of control, potential economic benefits, and reliable measurability. Various categories of crypto-assets—such as coins, tokens, stablecoins, and NFTs—constitute forms of digital existence that are legally valid and economically recognized through fair value measurement.

Accordingly, cryptocurrency is not a fictitious asset but a genuinely existent digital economic resource with real value and verifiable legal and accounting implications within modern financial systems.

(Elsayed, 2025), in his article “*Unveiling the Black Box: Understanding Digital Assets' Complexity*,” asserts that crypto-assets possess a genuine digital form of economic existence, despite lacking any physical embodiment like cash. Cryptocurrency functions as a digital representation of economic value that is stored, transferred, and verified through blockchain technology—a decentralized network that records transactions permanently and securely using cryptographic mechanisms.

In this context, the “existence” of cryptocurrency lies in its digital code and the transactional records embedded within the blockchain, enabling it to be owned, exchanged, and measured in value. Blockchain technology ensures the authenticity and public verifiability of crypto ownership, thereby establishing cryptocurrency as a legitimate virtual asset with real economic value.

Elsayed argues that cryptocurrency meets the criteria of an intangible asset within the IFRS framework because it possesses value, can be traded, and influences global financial systems and investment behavior. Thus, cryptocurrency is not a fictitious entity but a digital form of property with economic and legal existence embedded within modern technological systems.

From the perspective of *fiqh mu'āmalah*, this raises significant discussions, as the validity of an object of transaction (*ma'qūd alayh*) requires clear existence (*al-wujūd al-hissī*) or definitive possessibility (*al-qabḍ al-ḥaqīqī*). Given that cryptocurrency lacks physical substance (*'adam al-'ayn*), a deeper analysis is necessary to determine its conformity with the criteria of *sil'ah* (a legally recognized commodity) in Islamic law.

In Islamic law, the existence (*wujūd*) of crypto-assets can be understood in two forms: *wujūd ḥissan* (physical, tangible existence) and *wujūd ḥukman* (legal existence recognized due to value and utility). According to (Albalawee & Al Fahoum, 2023), cryptocurrency does not possess a physical form; rather, it constitutes a digital representation of monetary value that can be owned, transferred, and utilized in online transactions. Thus, the existence of cryptocurrency is *ḥukmī* (virtual), acknowledged through legal and technological systems rather than material embodiment.

In contrast to conventional money (*naqd shar'ī*), which is backed by monetary authorities and holds intrinsic value (*qimah dhātiyyah*), cryptocurrency lacks guaranteed value and formal regulatory oversight. Its decentralized nature and high volatility make it more akin to a speculative commodity (*crypto-commodity*) than a legally recognized medium of exchange.

From the perspective of *maqāsid al-sharī'ah*, the use of crypto-assets can only be deemed *Sharī'ah*-compliant if three core conditions are met: the presence of credible asset backing, oversight by a legitimate authority, and the absence of *gharar* and *maysir* (uncertainty and speculation).

Accordingly, although cryptocurrency possesses economic value and can be transferred, it is more accurately classified in *fiqh* as a legally recognized digital asset (*al-māl al-ḥukmī*), rather than as lawful currency (*naqd shar'ī*). The integration of cryptocurrency

into Islamic financial systems therefore requires strict regulation and *Sharī'ah* governance to ensure alignment with the principles of justice and transparency.

Thus, it may be concluded that crypto-assets satisfy two fundamental requirements for a valid object of contract in Islamic sales law: possessing existence (*al-wujūd*) and being transferable (*imkān al-taslīm*). While cryptocurrency lacks physical, tangible form, it possesses legal existence (*al-wujūd al-ḥukmī*) because its presence is realized through encrypted digital entities within the blockchain network—entities that represent economic value and ownership rights. Through this decentralized technology, crypto-assets can be owned, transferred, verified, and exchanged in a legitimate and transparent manner, thereby fulfilling the principle of deliverability in transactions.

Given these characteristics, cryptocurrency cannot be regarded as a fictitious asset but rather as a form of digital property (*al-māl al-raqmī*) with genuine economic existence and the potential to serve as a lawful object of contract, provided that it also satisfies other *Sharī'ah* principles, including the avoidance of *gharar* and *maysir*.

The Eligibility of Cryptocurrency as *al-Māl*: A *Fiqh* and Economic Analysis of Utility Value and the Existence of Digital Assets

The findings of (El Hajj & Farran, 2024) indicate that the adoption of cryptocurrency contributes significantly to enhancing financial inclusion and economic empowerment in developing countries. Using Structural Equation Modeling (SEM), the researchers found that the use of cryptocurrency not only expands access to financial services but also improves user satisfaction, trust in financial institutions, and perceptions of economic independence.

First, cryptocurrency plays a crucial role in broadening financial inclusion, particularly for populations in regions underserved by formal banking systems. Due to its decentralized nature, individuals can conduct transactions, save, and invest with only an internet connection and a digital wallet (Demirguc-Kunt et al., 2018; El Hajj & Farran, 2024). This is particularly relevant in countries such as Indonesia, Nigeria, and Vietnam, which have substantial unbanked populations.

Second, cryptocurrency increases the efficiency of cross-border transactions, as blockchain technology reduces remittance costs and accelerates international money transfers (World Bank, 2021; (Kayani & Hasan, 2024). These efficiency gains directly benefit migrant workers and their families who rely on remittances.

Third, cryptocurrency contributes to individual economic empowerment. Through peer-to-peer systems and decentralized finance (DeFi) platforms, individuals gain greater control over their personal finances without relying on traditional financial institutions (Schär, 2021; (Gupta, 2022).

Fourth, blockchain systems enhance trust and transparency in financial transactions due to their immutability and public auditability, thereby strengthening security and reducing the risk of fund misuse (Auer & Claessens, 2021; Catalini & Gans, 2020; Zheng et al., 2018).

Fifth, cryptocurrency may serve as an alternative source of financial stability in regions with high inflation, functioning as a relatively safe store of value compared to local currencies (Rosales, 2021; Senner & Sornette, 2019).

Limitation

This study has several limitations that should be acknowledged. First, the research adopts a qualitative library-based approach that relies primarily on classical *fiqh* literature, academic publications, and modern accounting standards without incorporating empirical field data or quantitative financial analysis. Second, the discussion mainly focuses on the legal and conceptual status of cryptocurrency as *al-māl ḥukmī*, rather than examining the broader technical, regulatory, and market dimensions of crypto-assets across different jurisdictions. Third, the study does not differentiate extensively between various categories of crypto-assets such as stablecoins, utility tokens, security tokens, and NFTs, each of which may possess distinct Sharī'ah and accounting implications. Therefore, the findings of this study remain limited to the normative and conceptual evaluation of cryptocurrency within the framework of *fiqh al-mu'āmalāt* and contemporary accounting analysis.

Novelty/Contribution

The novelty of this study lies in its integrative *fiqh-accounting* approach in evaluating cryptocurrency as digital property within contemporary Islamic economic law. Unlike previous studies that generally examine cryptocurrency either from the perspective of Islamic jurisprudence or from modern accounting separately, this research systematically integrates classical *fiqh* concepts—such as *taqawwum*, *intifā'*, *imkān al-taslīm*, and *ḍamān*—with contemporary accounting asset-recognition criteria including identifiability, control, and future economic benefits. Through this synthesis, the study introduces a conceptual framework for understanding cryptocurrency as *al-māl ḥukmī*, emphasizing its digital legal existence (*al-wujūd al-ḥukmī*) and economic substance within blockchain systems. The study also contributes theoretically by expanding the discourse of *fiqh al-mu'āmalāt* in responding to emerging digital-asset phenomena and providing a normative foundation for Sharī'ah governance and regulatory policies related to cryptocurrency.

CONCLUSIONS AND SUGGESTIONS

This study concludes that, although crypto-assets do not possess a physical form, they have a legally and economically recognized digital existence (*al-wujūd al-ḥukmī*) and retain verifiable utility value (*al-manfa'ah*) through the control and record-keeping mechanisms inherent in blockchain systems. These findings indicate that the characteristics of cryptocurrency align with the essential elements of property in *fiqh mu'āmalah* and meet the asset-recognition criteria set forth by modern accounting standards.

Based on these insights, the study addresses the central research question by establishing that cryptocurrency can be classified as *al-māl ḥukmī*, a type of digital property acknowledged under *Sharī'ah*, making it suitable as an object for *mu'āmalah* contracts. This classification is valid provided that cryptocurrency adheres to *Sharī'ah* principles, including transparency, deliverability (*imkān al-taslīm*), and an absence of *gharar* and *maysir*, which form the foundational criteria for evaluating the legitimacy of transactional objects.

Theoretically, this research offers an integrative *fiqh-accounting framework* that connects classical Islamic property categories—*taqawwum*, *intifā'*, *qābil li al-naql*, and *ḍamān*—with contemporary asset parameters such as identifiability, control, and future economic benefits. This conceptual integration is crucial for establishing a more

robust epistemological foundation for understanding the legal status of digital assets within the realm of contemporary *mu'āmalah*.

Future research is encouraged to delve into the intrinsic value of cryptocurrency by investigating issues related to underlying assets, the levels of *gharar* and *maysir*, and the mechanisms of value formation. Such studies will be instrumental in assessing the stability of cryptocurrency and its alignment with Islamic economic principles.

AUTHOR CONTRIBUTION STATEMENT

All authors contributed significantly to the completion of this study. Muhammad Abduh Tuasikal was responsible for the conceptualization of the research, data collection, data analysis, manuscript drafting, and integration of *fiqh* and accounting perspectives related to cryptocurrency. Jaih Mubarak contributed to the development of the theoretical framework and the analysis of Islamic jurisprudence principles within *fiqh al-mu'āmalāt*. Ibdalsyah participated in reviewing the economic and Sharī'ah aspects of digital assets and provided critical revisions to strengthen the analytical discussion. Yulizar Djamaluddin Sanrego contributed to the evaluation of the accounting and contemporary Islamic economic perspectives, as well as manuscript review and final editing. All authors have read and approved the final version of the manuscript and agree to be accountable for all aspects of the research.

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