

**ELECTRONIC MONEY IN ISLAMIC VIEW: LITERATURE STUDY**

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**ABSTRACT:**

Money has evolved throughout history, including in the treasures of Islamic economic civilization. Islam recognizes the main function of money as a medium of exchange. This study conducted a literature search focusing on studying Islamic views on electronic money and obtaining certainty that aspects of contracts, transactions, and mechanisms of electronic money were by Sharia principles. This study reveals how Islam views electronic money and how contracts, transactions, and electronic money mechanisms are by Sharia provisions. This study uses a qualitative approach using the Publish or Perish software tool to collect articles relevant to this research. The articles collected were analyzed for content (content analysis) and then triangulated the data to conclude. The findings of this study indicate that electronic money is permissible in Islam because electronic money is following Maqasid Syariah.

**Keywords:**

Electronic Money, E-Money, Islam, Islamic View, Maqasid Syariah

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**1. INTRODUCTION**

Technological developments are so fast and have an impact on various fields, including the payment system. Advances in the payment system technology have shifted the role of cash as a means of payment into a more efficient and economical form of non-cash payment. The fast, safe, comfortable, easy, and efficient transaction process is why people have a great response to non-cash payment systems. Banks and non-banks have developed non-cash payment systems as payment system providers. One of the non-cash payment instruments that are currently developing is electronic money (e-money).

Electronic money or e-money emerged as a revolutionary payment system in the business world. In Indonesia, the use of electronic money greatly affects business activities; based on a survey conducted by Daily Social (2007) on the trend of using electronic money as a means of payment in Indonesia; it was found that 56.8% of Indonesian consumers have used e-money for less than one year. 34.4% of them have used it between 1 to 3 years, and the rest have used e-money for more than three years (Aji & Riza, 2020).

Since April 13, 2009, a new chapter of the financial sector in Indonesia has begun when it begins to adopt technology in new payment facilities. Bank Indonesia issues electronic money regulations through Bank Indonesia Regulation No. 20/6/PBI/2018. Then, Bank Indonesia also launched the National Non-Cash Movement on August 14, 2014, to create a cashless society. As a result, companies consisting of banks and non-bank institutions compete in offering their electronic money products (Putra et al., 2021). The following is data on the development of the number of electronic money transactions in Indonesia based on data published by Bank Indonesia:

**Table 1. Table of Electronic Money Transactions**

Period	2015	2016	2017	2018	2019	2020
Volume	535,579,528	683,133,352	943,319,933	2,922,698,905	5,226,699,919	4,625,703,561
Nominal	5,283,017.65	7,063,688.97	12,375,468.72	47,198,616.11	145,165,467.60	204,909,170

Source: Bank Indonesia Statistics, 2021

Based on the table above, the use of electronic money as an alternative to non-cash payment instruments shows the potential for a fairly large increase in Indonesia, a country with a Muslim majority population. Along with the development of this payment instrument in the form of electronic money and to provide provisions and restrictions related to electronic money in terms of sharia for Muslims, the National Sharia Council-Indonesian Ulema Council (DSN-MUI) issued DSN-MUI Fatwa No: 116/DSN-MUI/ IX/2017 concerning Sharia Electronic Money.

Therefore, researchers feel it is important to conduct a literature search focusing search focusing on studying Islamic views on electronic money and on obtaining certainty that aspects of contracts, transactions, and electronic money mechanisms follow Sharia principles. This study will reveal how the Islamic view of electronic money and how contracts, transactions, and electronic money mechanisms follow Sharia provisions.

## 2. LITERTURE REVIEW

### 2.1 Electronic Money

According to Bank Indonesia Regulation Number 11/12/PBI/2009 concerning Electronic Money, that which is meant by electronic money is a payment instrument issued based on the value of money that is deposited in advance to the issuer, which is stored electronically in a media server or chips, and the value of electronic money managed by the issuer is not a deposit. It is used as a means of payment to merchants who are not electronic money issuer (Putri & Prasetyo, 2020).

Based on the storage media, electronic money is divided into two types (PBI, 2018), namely: 1) Electronic money whose value is recorded on electronic media managed by the Issuer and recorded on electronic media managed by the issuer Holder. Electronic media managed by the Holder can be in the form of chips stored on cards, stickers, or hard disks contained in the Holder's personal computer. With a recording system like this, payment transactions using electronic money can be done offline by directly reducing the value of money. 2) Electronic money whose value is only recorded on electronic media managed by the Issuer. In this case, the holder is given the right of access by the issuer to the use of the value of the electronic money.

Meanwhile, based on the range of use, electronic money is divided into two, namely: 1) Single-Purpose, namely electronic money that is used to make various payments for obligations arising from one type of economic transaction, for example, electronic money that can only be used for toll payments or electronic money. Which can only be used for public transport payments. 2) Multi-Purpose, namely electronic money used to make various payments for the cardholder's obligations for various things he does. An example is an electronic money that can be used in several types of transactions, such as electronic money for toll payments; it can also be used to pay for telephone calls, transportation services, payments at mini markets, and others, just using one card.

Based on the Holder's Identity Data recording, Electronic Money can be divided into two types: 1) Electronic money whose data on the Holder's identity is registered and registered with the Issuer (registered). 2) Electronic money whose Holder's identity data is not registered and registered with the Issuer (unregistered).

Some advantages of using electronic money in making non-cash payments are the ease of recording and the no need to carry cash in making transactions. In addition, it is more efficient and convenient to make payments remotely, reduces queues, saves time, reduces corruption, and prevents the circulation of counterfeit money (Putra et al., 2021). The advantages of electronic money ideally will increase the interest in using it. The results of research conducted by Karnadi

and Alwie (2018) show that perceived usefulness, attitude, perceived behavior control, perceived ease to use, and subjective norms significantly affect the intention to use electronic money.

## 2.2 DSN-MUI Fatwa Regarding Electronic Money

Islam, as a perfect religion, has clear rules (*manhaj alhayat*) that regulate all elements in human life, which are sourced from the Qur'an and Hadith. These rules are intended to ensure the happiness and safety of humans both in all aspects of themselves, such as the safety of religion, soul, mind, property, and descendants or what is commonly called *adh-dharuriyyah al-khamsor maqashid al-syari'ah*.

The National Sharia Council of the Indonesian Ulema Council has issued a fatwa relating to electronic money, with the following provisions:

### 1. Contract Provisions and Legal Personnel:

a. The contract between the issuer and the electronic money holder is a *wadi'ah* contract or a *qardh* contract.

1) If the contract used is a *wadi'ah* contract, the provisions and limitations of the *wadi'ah* contract apply as follows:

- a) The nominal amount of electronic money is a deposit that can be taken/used by the holder at any time;
- b) The nominal amount of electronic money deposited may not be used by the recipient of the deposit (issuer), except with the permission of the cardholder;
- c) If the nominal amount of electronic money deposited is used by the issuer with the permission of the cardholder, then the deposit contract (*wadi'ah*) changes to a loan contract (*qardh*), and the responsibility of the recipient of the deposit is the same as the responsibility in the *qardh* contract.
- d) The relevant authorities are obliged to limit the issuer in the use of funds deposited from cardholders (float funds);
- e) The use of funds by the issuer must not conflict with Sharia principles and laws and regulations.

2) If the contract used is *aqardh* contract, the following provisions and limitations apply to the *qardh* contract:

- a) The nominal amount of electronic money is debt that can be taken and used by the holder at any time;
- b) Issuers can use (invest) debt money from electronic money holders;
- c) The issuer is obliged to return the principal amount of the receivables of the electronic money holder at any time according to the agreement;
- d) The relevant authorities are obliged to limit the issuer in the use of loan funds (debt) from cardholders (float funds);
- e) The use of funds by the issuer must not conflict with Sharia principles and laws and regulations;
- f) Among the contracts that can be used by the issuer and the parties in the administration of electronic money (principals, acquirers, merchants, clearing operators, and final settlement operators) are *ijarah* contracts, *ju'alah* contracts and *wakalah bi al-ujrah* contracts.

### 2. Facility Service Fee Terms

In the operation of electronic money, the issuer may charge an electronic money facility service fee to the holder with the following conditions:

- a. Facility service fees must be in the form of real costs to support the smooth operation of electronic money; and
- b. The imposition of facility service fees must be properly conveyed by Sharia and applicable laws and regulations to the cardholder.

### 3. Provisions and Limitations on the Implementation and Use of Electronic Money

The operation and use of electronic money must avoid:

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- a. Transactions that are *ribawi*, *gharar*, *maysir*, *tadlis*, *risywah*, and *israf*; and
  - b. Transactions on objects that are unlawful or immoral.
4. Special provisions for Sharia electronic money
    - a. The nominal amount of electronic money that is in the issuer must be placed in a Sharia bank.
    - b. If the card used as a medium for electronic money is lost, the nominal money at the issuer must not be lost.

### 3. RESEARCH METHOD

This study uses a literature study approach to answer the research objectives. The literature study conducted in this study is a form of research conducted by collecting journal articles with the same theme according to the research objective, namely the Islamic view of electronic money. This research was assisted by Publish or Perish software to compile relevant journal articles and then carry out the content analysis. The important point of content analysis is to find out the content and intent of a text. Content analysis is a research technique to produce an objective and systematic description of the content contained in the media under study (Zuchdi, 1993: 11-12).

Technique content analysis is carried out by carrying out three main stages, namely: 1) The data reduction stage, where the data obtained from journal articles is reduced, summarized and selected the main things and focused on important things and arranged systematically according to the research objectives so that the data becomes easier to understand and control. 2) The data display stage, which displays the information obtained due to data reduction, allows for conclusions to be drawn and data collection according to the research objectives. 3) The conclusion or verification stage where the researcher looks for the meaning of the data collected and draws more basic conclusions by the research objectives (Moleong, 2006: 289).

### 4. RESULTS

The researcher's literature search was carried out using the Harzing's Publish or Perish (POP) application. The search results using the keyword "E-money Islamic perspective" found that there were eight journal articles published in the 2010-2021 range, with the keyword "E-money Islam" it was found that there were 30 journal articles published in 2010-2021, while using the keyword "Electronic money Islamic perspective" found seven journal articles published in the same period, namely 2010-2021. Furthermore, the researcher searched using the keyword "Islamic electronic money" and found that there were 25 journal articles that were relevant to the Islamic view of electronic money.

Based on the search results above, the researchers further grouped the articles based on the focus of their respective studies; after being grouped, the researchers then conducted content analysis on relevant journal articles to answer this study's objectives. As for the results of the researcher's review, articles can be grouped into two categories, namely: (1) Articles that discuss electronic money in the view of Islam with a *Maqasid Syariah* approach, and (2) Articles that focus their studies on the relevance of contracts, mechanisms, and electronic money transactions with Fatwa DSN-MUI.

The first article discussing how Islam views electronic money with the *Maqasid Syariah* approach starts from a journal article by Muamar and Alparisi (2017), which examines the suitability of electronic money with *Maqasid Syariah*. The author of this article states that electronic money is following *Maqasid Syariah* because electronic money is protected with good security, such as a PIN that can prevent misuse if it is stolen or lost. In addition, this electronic money does not cause excessive spending. The halalness of electronic money has been fulfilled by avoiding electronic money from things prohibited by sharia, with clear contract transactions, and according to the concept of money in Islam, the compatibility of electronic money with the principle of maintaining property has been well maintained. Then, the suitability of electronic money is supported by the benefits of electronic money, such as speed in transactions, ease of access, and effectiveness in the use of electronic money. However, using electronic money that is

not equipped with a good security system, such as unregistered electronic money, would be better avoided because it is considered not by *Maqasid Syariah*. After all, it still causes harm even though other conditions are met.

The next article by Sayuti's (2018), which also examines E-Money in the *Maqasid al-Syariah* dimension. Based on the results of the synchronization between e-money products with the dimensions of *Maqasid al-Syariah*, there are *maslahah* values which are a form of embodiment of the *hifz al-mal* element in e-money products, achieving the general benefit for the economy and monetary policy, the harmonious function of money with the Islamic concept, it does not adhere to the interest system because of its prepaid nature, limiting the maximum balance as a form of preventive *israf* (consumerism) and the provisions for redeeming or refunding in order to avoid the act of consuming other people's property falsely.

Muhammad Ridwan (2018) which discusses electronic money from the Qur'anic argument above that humans can *muamalah* in the economic field, as long as it is done in the right way and is not done in a wrong way according to sharia, also based on mutual pleasure and pleasure. This argument in *muamalah* is also corroborated by the Hadith of the Prophet Muhammad narrated by Imam Muslim from Aisha and Thabit from Anas: "أنتم أعلم بأمور دنياكم" 'You understand more about your worldly affairs.' (HR. Muslim). The proof of the halalness of electronic money can also be based on fiqh rules: 'بالشرعي كالثابت بالعرف الثابت' 'Something that applies based on custom is the same as something that applies based on sharia (as long as it does not conflict with sharia). The emergence of electronic money was initially only in internet banking, which provided access; what was originally limited becomes easier and more widespread. Internet banking allows customers to make transactions via cellular phones. The use of electronic money only existed in a limited scope, which was bank customers with other bank customers. However, this trend changed along with the advancement of science in information technology in 2008; this became the beginning of the rise of buying and selling transactions through electronic media. Electronic money, which was originally limited by certain circles, now has a wider scope. The wider community can take advantage of the services of electronic money providers without having to be a customer at a particular bank. Advantages and Disadvantages of Electronic Money The rise of electronic money must be accompanied by a prior understanding of the advantages and disadvantages of electronic money. Sharia as the goals of Islamic teachings or can also be understood as the goals of the maker of sharia (Allah) that outlines Islamic teachings. The division of *Maqasid Syariah* The essence of *maqasid sharia* in terms of substance is a benefit. Benefit in God's *taklif* can be manifested in two forms, namely first, in the elemental form, in the form of direct benefit in the sense of causality. Second, in the form of *majazi*, namely the form which is the cause that brings benefit. Al-Syatibi sees this benefit from two points of view. The two points of view are *maqashid al-syari'* and *maqashid al-mukallaf* (purpose of *mukallaf*).

The next journal article falls into the second category, namely Abdulfattah and Kurniawan (2018), which discusses electronic money in an Islamic perspective on contracts and sharia principles applied to electronic money transactions. This article shows that: 1) In the implementation of electronic money, contracts that are established between electronic money providers can use an *ijarah* contract, where parties providing services or leases are allowed to obtain *ujroh* for the services or rentals they provide. 2) A transaction between the issuer and the holder can use a *wadi'ah* contract, when the electronic money holder submits a certain amount of money to the issuer to deposit and convert it into an electronic money value equal to the money submitted. Moreover, in filling out the value of electronic money, there must be no additional value of smaller or larger without a clear explanation. If there is an addition, it is included in usury *fadl*. 3) The relationship between the issuer and the merchant can be tied using a *wakalah* contract, where the merchant represents the issuer in the transaction process with electronic money users. 4) The sale and purchase of goods or services between electronic money holders and merchants is a cash sale and purchase transaction because basically, there is a similar function between electronic money and cash as a means of payment by adhering to the principle of not containing *maysir*, not encouraging *israf* and not being used for transactions for forbidden object. This study also confirms that deposit/refund, and management of electronic money float funds placed in conventional banks, contain elements of usury. Because every transaction in a conventional bank is an interest-bearing

loan that is forbidden, electronic money following Sharia principles according to the DSN-MUI must be placed in a Sharia bank. Moreover, in the collection process, the relationship between the merchant and the acquirer can use a *wakalah* agreement in which the merchant authorizes the acquirer to represent the merchant in the clearing mechanism.

Alhusni and Mustiah (2019) in a study that examines the views of Islamic law on the use of electronic money and the relevance of the DSN-MUI fatwa on electronic money. This article shows that electronic money is permitted in Islam because transactions using electronic money are the same as transactions that previously developed in the banking system, such as credit cards. Even if the buyer and seller do not meet face-to-face, a mutual "agreement" is found in electronic money transactions. Indirectly, the two agreed because the price offered and the price paid was the same; there was no change, the buyer who wanted to buy also knew the full price. The use of electronic money (e-money) at least fulfills four elements of contracts in Islam, namely buying and selling contracts, *wadi'ah* contract (custody of goods/assets), *ijarah* contract (transfer of usufructuary rights/benefits), and *wakalah* contract (transfer of authority). So from here, it can be concluded that the fatwa regarding electronic money issued by the DSN-MUI is very relevant.

Febriandika and Hakimi (2020) in their research examining the conformity of sharia electronic money at issuing banks in Indonesia, results show that there are several contracts related to electronic money mechanisms. Among them are: 1) Sale and purchase contract (al-bai'), 2) Wadi'ah, 3) Sharf, 4) Ijarah, 5) Wakalah, 6) Qardh. In banking itself, the characteristics of electronic money itself are like a representation of the amount of money that has been deposited with the issuer of electronic money; this is intended to make it easier for users to make transactions. Electronic money is different from deposit money at a bank, which can increase because there is a profit margin in the form of interest if it is in a conventional bank and profit sharing ratio if it is in a Sharia bank. Therefore, the amount of nominal does not increase or decrease so that it is stable. Electronic money is also not an investment tool or a commodity whose value changes. The value of electronic money is cash and stable, so it cannot be used as a speculative tool for those who hold it. So that electronic money is free from elements of usury, *gharar*, and gambling. Electronic money users do not need to worry about the halalness of electronic money products because electronic money represents the amount of money they have. The overpayment when you want to refill electronic money is an *ujroh*/reward for the services that have been offered. Electronic money issuers enter into *wakalah* contracts to pay for every transaction made by electronic money users.

Jurjani (2020), this article confirms that the operation of sharia electronic money generally refers to the Bank Indonesia Regulation concerning Electronic Money. The concept of electronic money based on PBI No. 18/17/PBI/2016 and DSN Fatwa No. 116/DSN-MUI/IX/2017 is the same. Both define that electronic money is a means of payment that fulfills the following elements: a) issued on the basis of the value of money that was deposited in advance by the holder to the issuer; b) the value of money is stored electronically in a medium such as a server or chip; c) used as a means of payment to merchants who are not the issuers of the electronic money; and d) the value of electronic money deposited by the holder and managed by the issuer is not a deposit as referred to in the law governing banking. There are some basic differences in the administration of electronic money according to the PBI and according to the DSN-MUI fatwa. These differences: 1) Contracts in sharia electronic money transactions have been detailed in the DSN-MUI fatwa no. Whereas in PBI, the contract that occurs between the e-money parties is not clear (*gharar*) and does not follow the sharia transaction scheme so that the rights and obligations of the parties are not known; 2) the nominal electronic money that is in the issuer must be placed in a sharia bank; this is because Islamic electronic money must be free from things that smell like usury, while electronic money storage in conventional banks uses usurious interest systems; 3) according to the DSN fatwa if the card used as an electronic money medium is lost, the nominal amount of money in the issuer cannot be lost. Meanwhile, PBI does not regulate this so that the cardholder's rights are lost when the card he has is lost.

In line with that, Jefry Tarantang, Rahmad Kurniawan, Gusti Muhammad Ferry Firdaus (2020) revealed the results of his research that electronic money has become one of the daily necessities for some people. Electronic transactions usually begin with exchanging or paying cash

to the issuer, and then the issuer will give the electronic money to the card held by the holder. So that money can be used in payments or making any transactions to Merchant. Directly the value of the holder's electronic money will decrease after the holder makes a payment transaction. After that, the Merchant exchanges the value of the electronic money obtained from the holder to the Issuer; this shows the existence of *muamalah* transactions, which are by the fiqh rules mentioned in the E-Money points in *Muamalah Fiqh*, which are stated as follows: "Every transaction in *muamalah* is permissible unless there is a proof that forbids it, then at that time the law turns into haram." The total deposit of funds or float funds submitted by the holder to the issuer is a form of the deposit that can be taken back as described in the Refund facility, which means that the money will be returned to the holder if the transaction is not successful; this shows that the deposit or operation of electronic money can be based on two contracts, namely *Wadiah* (trust) and *Qard* (Loans) contracts. If it is a *Wadiah* contract, the holder's electronic money at the issuer is not used by the issuer.

Furthermore, Aulia's scientific work (2020); This research is motivated by the fact that in Indonesia, the Central Financial Authority has just issued a permit for electronic money as well as the National Sharia Council of the Indonesian Ulema Council which issued a fatwa on the permissibility of electronic money. The Indonesian people, apart from using electronic money, have also used digital money. This article emphasizes that electronic money in the perception of Bank Indonesia and the DSN-MUI Fatwa is very different from what is called cryptocurrency, where electronic money is a derivation of currency. Its value follows the currency of a country that has Central Bank instruments or central financial authorities. With centralized computing, electronic money is stored in electronic media in servers, chips, or mobile phone numbers. Unlike digital money, the money only exists in the virtual world (internet) whose computing is decentralized. Cryptocurrencies exist as gold or silver in the real world to replace payment systems recorded in the general ledger at a central (decentralized) institution. The cryptocurrency functions can represent the current currency functions, depending on the digital miner or cryptorian. So the DSN-MUI fatwa on electronic money cannot punish cryptocurrencies because the two things are different.

## 5. DISCUSSION

Before money is a medium of exchanging goods, humans still use the barter system to meet their needs. Then came the dinar and dirham as a medium of exchange and a measure of the price of an item. From here, money as a medium of exchange of goods began to be known in the world. As time goes by, technology is getting more sophisticated. Humans innovate in various ways so that all human activities can be carried out easily. Electronic money (e-money) has emerged as an innovation that can make the payment process faster, more efficient, and safer. Maqashid Syariah has a very important role in determining the suitability of electronic money with Islamic law.

In general, there are three types of electronic money transaction mechanisms and flows, namely Single Issuer, Multi Issuer Single Operator, and Multi Issuer Multi Operator. In simple terms, electronic money transactions are carried out when the holder exchanges cash with the issuer. The issuer will give the electronic money according to the amount deposited by the holder. After the holder gets the electronic money, the holder can make payment transactions to the merchant (merchant) directly; the electronic money will be reduced. Then the merchant can exchange the obtained electronic money with the issuer.

Electronic money is closely related to assets; safeguarding assets is one of the most important elements in Maqashid Syariah relating to the benefit of wealth. Evidence of the conformity of electronic money with the principle of safeguarding assets in Maqashid Syariah is:

1. Electronic money is protected by a PIN or Fingerprint security system to prevent negligence or loss.
2. Electronic money is protected from the element of usury. Because at the time of exchanging cash for electronic money, the amount must be the same and be done in cash.

3. Electronic money is also protected from the element of *maysir* because it is based on payments made quickly and accurately.
4. In addition to avoiding things prohibited by *syara'*, the halalness of electronic money is seen from the way it is transacted, namely without coercion.
5. There is a maximum limit in using the largest electronic money; with this maximum limit, people do not overspend.

Humans may engage in *muamalah* in the economic field, as long as it is done in the right way and is not done in the wrong way according to *syara'*, also based on mutual pleasure and pleasure. Sharia as the goals of Islamic teachings or can also be understood as the goals of the maker of sharia (Allah) that outlines the teachings of Islam. The essence of maqashid sharia in terms of substance is benefit. Benefit in God's *taklif* can be manifested in two forms, namely first, in the elemental form, in the form of direct benefit in the sense of causality. Second, in the form of *majazi*, namely the form which is the cause that brings benefit. Al-Syatibi sees this benefit from two points of view. The two points of view are *maqashid al-syari'* and *maqashid al-mukallaf* (purpose of *mukallaf*). Benefits can be realized if the five main elements can be realized and maintained. The benefits of electronic money can be seen from its advantages, namely:

1. Transactions made with electronic money can be faster because transactions are carried out offline and do not need a signature.
2. Transactions using electronic money are easier because agent integration services, cards, applications, and websites can be accessed online, so we do not need to go to the bank.
3. Efficiency, transactions will feel faster and more comfortable because electronic money holders need to carry large amounts of cash, no need to and provide exact money for transactions. Moreover, e-money holders do not have to keep a dime.

So, it can be emphasized that electronic money follows *Maqasid Syariah* because electronic money is protected with good security. A PIN can prevent misuse if it is stolen or lost. In addition, this electronic money does not cause excessive spending. The halalness of electronic money has been fulfilled by avoiding electronic money from things prohibited by sharia, with clear contract transactions, and according to the concept of money in Islam so that the compatibility of electronic money with the principle of maintaining property has been well maintained. Then, the suitability of electronic money is supported by the benefits of electronic money, such as speed in transactions, ease of access, and effectiveness in the use of electronic money.

Responding to the rise of use electronic money transactions, the National Sharia Council of the Indonesian Ulema Council (DSN-MUI) has issued a fatwa on electronic money. The DSN-MUI study, which discusses the Sharia principles of using digital money and the criteria for Sharia electronic money, is contained in the DSN-MUI Fatwa No. 116/DSN-MUI/IX/2017 concerning Sharia electronic money. The fatwa issued by the DSN-MUI serves as a guide for the public in using electronic money following the provisions of Islamic teachings. The general provisions of Sharia electronic money include avoiding prohibited transactions. Electronic money must not be used for transactions that are prohibited in Islamic teachings. Service fees use the indemnity principle. The cost of using this service is based on real costs according to the *ijarah* principle. Funds must be placed in Islamic banks. This is to ensure that public funds deposited in electronic money are played according to Sharia provisions. Then if the card is lost, the money does not automatically disappear. If the card used as a medium for electronic money is lost, the amount of money in the issuer must not be lost. The contract between the organizer and the publisher is *ijarah*, *ju'alah* and *wakalah bilujrah*. What is meant by non-cash payment system operators include principals, acquirers, traders, clearing operators, and final settlement operators. The contract that applies between the issuer and the user of electronic money is *iwadi'ah* and *qardh*. And the organizer of the final settlement.

Electronic money is permitted in Islam because transactions using electronic money are the same as transactions developed in the banking system, such as credit cards. Even if the buyer and seller do not meet face-to-face, a mutual "agreement" is found in electronic money transactions. Indirectly, the two agreed because the price offered and the price paid was the same; there was no change, the buyer who wanted to buy also knew the full price. The use of electronic

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money (e-money) at least fulfills four elements of contracts in Islam, namely buying and selling contracts, *wadiah* contracts (depositing goods/wealth), *ijarah* contracts (transfer of usufructuary rights/benefits), and *wakalah* contracts (transfer of authority).

Electronic money in the perception of the DSN-MUI Fatwa is different from what is called cryptocurrency, where electronic money is a derivation of currency, and its value follows the currency of a country that has instruments from a Central Bank or central financial authority. Electronic money is stored in electronic media in servers, chips or mobile phone numbers with centralized computing. Different from digital money where the money only exists in the virtual world (internet), decentralized computing. Cryptocurrencies exist as gold or silver in the real world to replace payment systems recorded in the general ledger at a central (decentralized) institution. The cryptocurrency functions can represent the current currency functions, depending on the digital miner or cryptorian.

### 6. CONCLUSION

Electronic money or e-money emerged as a revolutionary payment system in Indonesia. A new chapter in the financial sector in Indonesia began when it began to adopt technology in new payment facilities. Bank Indonesia issues electronic money regulations through Bank Indonesia Regulation No.11/12/PBI/2009. Then, Bank Indonesia also launched the National Non-Cash Movement on August 14, 2014, to create a cashless society. Along with the development of this payment instrument in the form of electronic money and to provide provisions and restrictions related to electronic money in terms of sharia for Muslims, the National Sharia Council-Indonesian Ulama Council (DSN-MUI) issued DSN-MUI Fatwa No: 116/DSN-MUI/ IX/2017 concerning Sharia Electronic Money.

The literature study results in this study indicate that the use of electronic money is allowed in Islam, because electronic money is in accordance with Maqasid Syariah. Electronic money is protected with good security, such as a PIN to prevent misuse if stolen or lost. In addition, this electronic money does not cause excessive spending. The halalness of electronic money has been fulfilled by avoiding electronic money from things that are prohibited by sharia, with clear contract transactions, and following the concept of money in Islam so that the compatibility of electronic money with the principle of maintaining property has been well maintained. Then, the suitability of electronic money is supported by the benefits contained in electronic money such, as speed in transactions, ease of access.

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