

Integrating Sharī‘ah Principles into Digital Finance: Implications for Taxing Cryptocurrency Transactions

Tutut Adiningsih

tutut@tazkia.ac.id

Universitas Islam Tazkia, Bogor, Indonesia

Abstract. *This study examines the implementation of tax on cryptocurrency transactions from an Islamic legal perspective. Using a descriptive qualitative approach and secondary data, this research analyzes the alignment between Indonesian crypto tax regulations and the principles of Fiqh al-Mu‘āmalāt and Maqāṣid al-Sharī‘ah in the framework of Technology Acceptance Model. The findings indicate that crypto assets can be categorized as Māl Mutaqawwam, but tax implementation must consider the principles of justice and public benefit. The study recommends the necessity of a comprehensive shari‘ah guidelines for fiscal policies concerning digital assets.*

Keywords: *Crypto Tax, Digital Assets, Fiqh al-Mu‘āmalāt, Maqāṣid al-Sharī‘ah*

Abstrak. *Penelitian ini mengkaji penerapan pajak atas transaksi cryptocurrency dari perspektif hukum Islam. Dengan menggunakan pendekatan kualitatif deskriptif dan data sekunder, penelitian ini menganalisis kesesuaian antara regulasi pajak kripto di Indonesia dengan prinsip Fiqh al-Mu‘āmalāt dan Maqāṣid al-Sharī‘ah dalam kerangka Technology Acceptance Model. Temuan penelitian menunjukkan bahwa aset kripto dapat dikategorikan sebagai Māl Mutaqawwam, namun penerapan pajaknya harus mempertimbangkan prinsip keadilan dan kemaslahatan umum. Penelitian ini merekomendasikan perlunya pedoman syariah yang komprehensif bagi kebijakan fiskal terkait aset digital.*

Kata Kunci : *Pajak Kripto, Aset Digital, Fiqh al-Mu‘āmalāt, Maqāṣid al-Sharī‘ah.*

Introduction

The rapid development of digital technology has profoundly transformed the global financial landscape, giving rise to a wide array of innovations in how economic transactions are conducted and assets are managed. Among the most prominent of these innovations is the emergence of cryptocurrencies, or crypto assets. Cryptocurrencies are decentralized digital currencies that utilize blockchain technology to enable peer-to-peer transactions without the need for a central authority. As noted by Pratama (2023), cryptocurrencies have evolved from serving merely as alternative mediums of exchange into highly speculative investment instruments with significant economic value.

Initially, the role of cryptocurrency was confined to its function as a decentralized alternative to fiat currency, aimed at facilitating anonymous, borderless transactions. However, over time, crypto assets have increasingly been adopted as commodities for investment, leading to their growing integration into national and global financial systems. In response to this trend, the Indonesian government began formal efforts to regulate cryptocurrency in 2019. Through the Commodity Futures Trading Regulatory Agency (BAPPEBTI) Regulation No. 5 of 2019 on the Implementation of the Physical Crypto Asset Market on the Futures Exchange, and Regulation of the Minister of Trade No. 99 of 2018, crypto assets were officially recognized as legal commodities permitted to be traded on registered Indonesian futures exchanges. These regulations, established by BAPPEBTI and the Ministry of Trade Republic of Indonesia, signify an important milestone in Indonesia's acknowledgment of the legitimacy of crypto assets within the legal financial framework.

Table 1. Regulatory Development of Cryptocurrency in Indonesia

Year	Regulation / Authority	Regulation Number	Key Provisions	Implications
2018	Ministry of Trade	Regulation No. 99/2018	Recognition of crypto assets as tradable commodities	Legal recognition of crypto trading
2019	BAPPEBTI	Regulation No. 5/2019	Implementation of physical crypto asset market in futures exchanges	Supervision under BAPPEBTI
2022	Directorate General of Taxes	MoF Regulation No. 68/PMK.03/2022	Introduction of VAT and Income Tax on crypto transactions	Establishment of crypto taxation scheme
2025	Directorate General of Taxes	—	Revision of taxation mechanism for P2P and exchange transactions	Refinement of digital fiscal policy

Source: Compiled from BAPPEBTI, Ministry of Trade, and DJP reports (2025).

Following this regulatory endorsement, the crypto asset market in Indonesia witnessed exponential growth. According to BAPPEBTI's 2024 report, the number of domestic cryptocurrency investors rose sharply, reaching 18.833 million users. This surge in adoption not only reflects increased public interest but also signals the need for effective fiscal oversight. In response, the Directorate General of Taxes (DJP) began implementing taxation policies on crypto asset transactions, introducing both Value Added Tax (VAT) and Income Tax (PPh) mechanisms, applicable to trades executed via registered exchanges and peer-to-peer platforms alike. These policies were initially enacted in 2022 and further revised in 2025, based on the authority granted under Indonesia's national taxation framework.

Table 2. Growth of Cryptocurrency Investors in Indonesia (2019–2024)

Year	Number of Investors (million)	Growth (%)	Key Notes
2019	1.5	—	Start of official regulation by BAPPEBTI
2020	4.0	+166.7%	Growth accelerated during the pandemic
2021	11.2	+180.0%	Global bull market period
2022	16.3	+45.5%	Implementation of crypto taxation
2023	17.5	+7.4%	Market stabilization phase
2024	18.8	+7.4%	Based on BAPPEBTI 2024 report

Source: BAPPEBTI (2024).

From a legal standpoint, the imposition of these taxes is supported by a strong positive legal foundation. However, from the Islamic legal perspective, several important questions emerge. Does cryptocurrency meet the criteria to be recognized as wealth (*māl*) in Islam? Are transactions involving crypto assets eligible to be taxed under shari‘ah-compliant frameworks? To what extent do existing tax regulations align with the foundational principles of Islamic commercial law (*Fiqh al-mu‘āmalāt*) and the higher objectives of Islamic law (*Maqāṣid al-shari‘ah*)?

Table 3. Comparison between Legal and Islamic Perspectives on Crypto Taxation

Aspect	Indonesian Positive Law	Islamic Law (<i>Fiqh al-Mu‘āmalāt</i>)	Policy Implications
Status of Crypto Asset	Legally recognized tradable commodity	Considered <i>māl</i> if it fulfills criteria of ownership and benefit	Requires detailed fatwa and guidelines
Transaction Rules	Subject to VAT and Income Tax	Permissible if free from <i>gharar</i> and <i>ribā</i>	Needs syariah-compliant transaction verification
Taxation Principle	Fiscal instrument for state revenue	Public levy (<i>maslahah ‘āmmah</i>) allowed within justice and non-oppression	Must align with zakat and fairness principles

Aspect	Indonesian Positive Law	Islamic Law (Fiqh al-Mu'amalat)	Policy Implications
Policy Objective	Increase state revenue and regulate digital market	Promote justice and social welfare (<i>Maqāṣid al-Shari‘ah</i>)	Integration of fiscal policy with Islamic ethics

Source: Author's analysis based on BAPPEBTI, DJP, and Fiqh al-Mu'amalat literature.

In Islamic jurisprudence, wealth ownership, the obligation of zakāh, and the redistribution of wealth are structured according to precise legal and ethical standards. The state, within an Islamic framework, holds the authority to impose public levies (*al-maṣlahah al-‘āmmah*), provided such levies do not violate core shari‘ah principles such as justice ('adl), prohibition of oppression (zulm), avoidance of usury (ribā), and elimination of uncertainty (gharar). Consequently, it is necessary to conduct a rigorous and systematic assessment of whether taxation on crypto transactions can be shari‘ah-compliant, or whether alternative mechanisms such as digital zakāh schemes or Islamic-based levies should be developed to ensure both ethical and legal consistency.

Given the increasing role of crypto assets in economic activity, especially among Muslim communities, there is an urgent need for greater clarity regarding the shari‘ah status of these transactions. This clarity is essential not only for individual compliance but also for establishing Islamic economic integrity in the digital era.

In light of these developments, this study aims to examine the Islamic legal perspective on the imposition of taxes on cryptocurrency transactions. It seeks to explore the issue through a detailed analysis of contemporary fiqh literature, as well as the application of *Maqāṣid al-shari‘ah* principles. The study is intended to contribute to the development of Islamic legal thought in responding to the complexities of digital financial ecosystems and the formulation of fiscal policy that is both just and compliant with Islamic values.

Literature Review

Theoretical Framework and Hypothesis Development

The discourse surrounding the imposition of taxes on cryptocurrency transactions within the framework of Islamic law remains relatively novel but is gaining scholarly attention. Although the integration of digital financial instruments such as crypto assets into the Islamic legal tradition is still in its infancy, emerging studies have begun to explore their legitimacy and treatment under shari‘ah, particularly in terms of property ownership and economic justice.

Cryptocurrency

Cryptocurrency is defined as a form of digital or virtual currency secured through cryptographic techniques, which prevent double-spending within a distributed network (Aggarwal & Kumar (2021). Currently, there are over 1,600 cryptocurrencies available for use in various payment transactions. Popular examples such as Bitcoin, Bitcoin Cash, Litecoin (LTC), Chainlink (LINK), and Tether (USDT) operate on decentralized systems like blockchain technology, a type of distributed ledger maintained by multiple independent nodes. The blockchain supporting these cryptocurrencies acts as a public ledger that records every transaction in an immutable and tamper-proof manner, enhancing security and reliability compared to traditional systems. There are several ways of creating crypto where *shari‘ah* issues come into picture that will be further discussed in the following section.

Regarding its creation, Bongini, Mattassoglio, Pedrazzoli & Vismara (2025) elaborate that the past 15 years have witnessed rapid technological progress, the emergence of new financial tools, evolving regulatory landscapes, and the entry of diverse stakeholders shaping what is now known as the Crypto Ecosystem. They trace the evolution of the ecosystem from the inception of Bitcoin to today's complex environment of cryptocurrencies, tokens, and decentralized finance applications. Through a critical analysis of the current crypto market, they highlight the achievements as well as ongoing challenges emphasizing the dynamic relationship between technological innovation and shifts in financial markets.

In Islamic jurisprudence, the classification and treatment of wealth (*māl*) are foundational to determining the permissibility of financial instruments. al-Zuhaylī (2003) defines *māl* as any asset that holds economic value and is legally permissible to be owned and utilized according to *shari‘ah*. This definition forms the basis for evaluating whether digital assets such as cryptocurrencies can be considered valid property in Islamic law.

Further, Yusuf al-Qaradawi in his seminal work *Fiqh al-Zakāh* explains that the state possesses the authority to impose public levies (*jibāyah ‘āmmah*), provided that such impositions do not contravene the principles of justice and equity as upheld by the *shari‘ah*. This opens a window for contemporary scholars and policymakers to conceptualize taxation on emerging financial assets, including crypto transactions,

within an Islamic framework so long as the measures do not result in oppression (*zulm*) or unjust levy (*al-maks*), which are categorically condemned in Islamic teachings.

Recent research by Huda and Soelistyo (2025) attempts to categorize cryptocurrency as *māl mutaqawwam*, that is, a form of wealth that is legally recognized and usable under *sharī‘ah*, especially if the cryptocurrency is backed by real underlying assets and offers clear utility or benefit. However, cryptocurrencies that lack intrinsic value or are used primarily for speculative purposes akin to gambling (*maysir*) remain highly contested in Islamic legal circles.

Fiqh al-mu‘āmalāt and Maqāṣid al-sharī‘ah

Fiqh al-mu‘āmalāt is defined by Witbrodt & Shapiee (2013) as specific body of Islamic norms and principles relevant to economic and financial transactions. In this case, it refers to the cryptocurrency transactions. While Mukhlisin (2020) explains *sharī‘ah* and *Maqāṣid al-sharī‘ah* are infused with a sense of faith and morality that will be capable of assessing the effectiveness of the three financial reporting standards in measuring fulfilled the goals of *sharī‘ah*. *Maqāṣid al-sharī‘ah* as initially introduced by Al-Ghazali (1058–1111) covers the essential requirements (*dharūriyyah*) approach advocates for the maintenance and protection of five principles, specifically, safeguarding of faith (*īmān*), life (*nafs*), intellect (*‘aql*), progeny (*ansab*) and wealth (*māl*) (Chapra, 2008; Laldin & Furqani, 2013; Mukhlisin, 2020). These principles play a crucial role in everyone's life to guarantee lasting sustainability and wealth of the economic growth and well-being of the mankind.

The framework of *Maqāṣid al-Sharī‘ah* offers a crucial lens for analyzing the permissibility and purpose of taxation in the digital economy. The study by Dusuki and Bouheraoua (2011) emphasizes that among the primary objectives of *sharī‘ah* is the protection of wealth (*hifz al-māl*). Within this context, taxation if designed and implemented justly can serve as an effective tool for ensuring the equitable distribution of resources and safeguarding societal welfare. Fiscal instruments such as taxes may therefore be deemed permissible (*mashrū‘*) and even encouraged, insofar as they fulfill public interest (*maṣlaḥah ‘āmmah*) and prevent economic injustice.

Hikam, Siswanto & Djalaluddin (2025) propose a conceptual framework for incorporating digital services into Islamic Social Finance (ISF), emphasizing a service-oriented perspective to address the current lack of strategic direction among ISF institutions. It explores how digital technologies can enhance the design and delivery

of services by considering ISF's distinct features and applying the Service-Dominant Logic (SDL) approach. Through a literature review and qualitative analysis, the research underscores the potential of digitalization to broaden the reach of ISF services, strengthen stakeholder interaction, and enhance value creation. The proposed framework organizes service systems around *Maqāṣid al-Sharī‘ah*, ensuring alignment with the specific needs of stakeholders. It promotes a transition from product-focused approaches to models that center on the beneficiaries, encouraging greater participation and cooperation among all parties involved. Then they conclude that adopting a digitally driven, beneficiary-focused approach can significantly enhance the quality, reach, and impact of ISF services, offering a strategic pathway for institutions to evolve into more responsive, innovative, and collaborative entities.

In conclusion, while the taxation of cryptocurrency transactions under Islamic law is still a developing field, preliminary findings suggest that such measures may align with *Maqāṣid al-Sharī‘ah*, especially when they promote justice, transparency, and the protection of wealth. Ongoing discourse among Islamic jurists, economists, and regulators is necessary to establish a cohesive and contextually relevant legal framework that addresses both the opportunities and risks posed by crypto assets in a *sharī‘ah*-compliant manner.

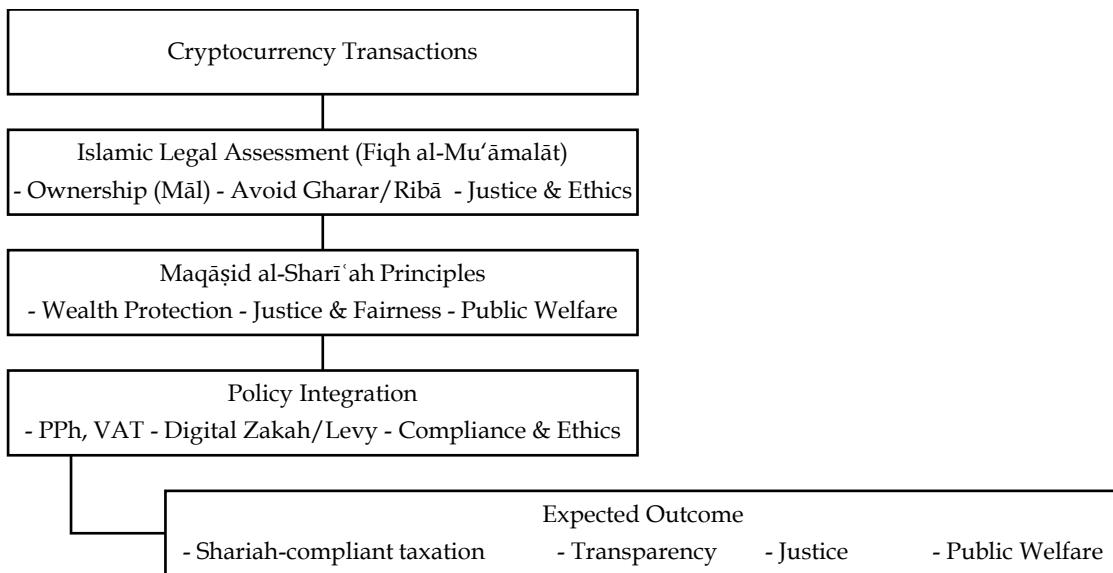


Figure 1. Conceptual Framework

Method

This study adopts a library research approach, which involves the utilization of literature as the primary data source. These include books, scholarly articles, academic theses and dissertations, official documents, online media, and other scientific resources relevant to the topic of investigation. The core objective of this research is to explore and understand Islamic legal perspectives (fiqh) regarding the imposition of taxes on cryptocurrency transactions. This approach is chosen due to the study's emphasis on the principles of *Fiqh al-mu'amalāt* and *Maqāṣid al-sharī'ah* and the interpretation of contemporary tax regulations within a *sharī'ah*-compliant and Technology Acceptance Model (TAM) framework.

Eventually the framework also accommodates Technology Acceptance Model (TAM) that is developed by Davis (1989) in which he argues that it provides a foundational framework for understanding how individuals come to accept and use new technologies. According to TAM, two primary factors influence user adoption: Perceived Usefulness (PU) which is understood as the belief that using a technology will enhance performance and Perceived Ease of Use (PEOU) as the belief that using the technology will be free of effort. In the original context of cryptocurrency, TAM has been widely used to analyze how individuals decide to engage in digital financial transactions, especially when facing regulatory or legal uncertainties (Gefen et al., 2003). The decentralized, borderless, and technology-driven nature of cryptocurrency challenges conventional user behavior, and adoption is often influenced by trust, technological literacy, and socio-cultural context. As governments introduce tax mechanisms on crypto assets, users' perceptions of the usefulness and complexity of compliance may affect their acceptance or resistance toward such fiscal policies.

TAM has been further discussed by Marangunić & Granić (2015) as the theory emerged from the psychological Theory of Reasoned Action (TRA) and Theory of Planned Behavior (TPB), TAM has developed into a vital framework for comprehending the factors that influence human behavior regarding the possible acceptance or dismissal of technology. They aim to offer a current, thoroughly researched compilation of past and present references to TAM-related studies and to outline potential avenues for upcoming TAM research. Based on a structured methodology, 85 scientific papers have been identified and categorized according to their purpose and substance into three groups: (i) TAM literature reviews, (ii)

advancements and extensions of TAM, and (iii) alterations and implementations of TAM. They finally document that there are four potential future avenues for TAM research derived from the literature review and analysis are recognized and outlined.

In Islamic contexts, TAM can be extended by incorporating religiosity and ethical dimensions as external variables influencing acceptance. Several studies suggest that *sharī‘ah* compliance plays a significant role in technology adoption among Muslim users (Alalwan et al., 2018). If crypto transactions and associated tax obligations are perceived as aligned with Islamic principles such as justice ('adl) and public benefit (*maṣlahah*), users may demonstrate higher perceived usefulness and voluntary compliance. Conversely, if taxation is viewed as burdensome or religiously ambiguous, perceived usefulness and ease of use may decline, deterring acceptance. Integrating TAM into the discussion of crypto taxation allows policymakers and scholars to understand not only the technical dimensions of user behavior but also the socio-religious factors that shape adoption in Muslim-majority societies like Indonesia.

The data employed in this research is categorized as secondary data. According to Butar-Butar (2018), secondary data refers to information that is already available and obtained from prior literature or existing sources. These include both classical and contemporary references in the fields of Islamic jurisprudence and Islamic economics, official government regulations such as those issued by the Ministry of Finance Republic of Indonesia, Ministry of Trade Republic of Indonesia, and BAPPEBTI, as well as fatwas issued by the National Sharia Board of the Indonesian Ulema Council (Dewan Syariah Nasional – Majelis Ulama Indonesia/DSN-MUI), and other relevant peer-reviewed journals.

For data collection, the appropriate method used is library research, which enables a comprehensive and structured gathering of theoretical and normative data. The analytical process in this study follows a qualitative interpretive method, with the aid of several analytical techniques, namely content analysis, normative *sharī‘ah* analysis, and source triangulation. Specifically, this research will apply normative *sharī‘ah* analysis to assess the alignment of existing cryptocurrency tax regulations with Islamic legal principles. This method involves a comparative and evaluative study of legal texts and religious doctrines to determine their consistency with Islamic ethical and legal norms, especially in light of *Fiqh al-mu‘āmalāt* and *Maqāṣid al-sharī‘ah*. This approach is particularly appropriate for this study as it allows for an in-depth and

holistic understanding of complex and often sensitive issues, while also offering flexibility in the research process to explore nuanced dimensions of sharī‘ah-compliant fiscal policy in the digital financial era.

Results and Discussion

The methodology of this research suggests that by adopting TAM, the analysis can be broken down as follows: Maqāṣid al-Sharī‘ah and Tax Justice, Fiqh al-Mu‘āmalāt on Cryptocurrency Ownership as Wealth, and Cryptocurrency in Indonesian Tax Law.

Maqāṣid al-Sharī‘ah and Tax Justice

Islamic legal philosophy, as expounded by Imam al-Shāṭibī and other classical scholars, emphasizes the objectives of Islamic law (maqāṣid al-sharī‘ah) as the foundation for ethical governance, including economic policy. These objectives include: (1) ḥifẓ al-dīn (protection of religion), (2) ḥifẓ al-nafs (protection of life), (3) ḥifẓ al-‘aql (protection of intellect), (4) ḥifẓ al-nasl (protection of lineage), and (5) ḥifẓ al-māl (protection of wealth). Among these, ḥifẓ al-māl provides a compelling justification for public finance mechanisms such as taxation, which aim to preserve and redistribute wealth in society for collective welfare.

Taxation, when implemented justly and transparently, serves multiple public functions: funding public infrastructure, maintaining law and order, providing healthcare and education, and ensuring economic equity. These functions align with the Islamic imperative to prevent the concentration of wealth among a select few, as mentioned in the Qur’ān: "...so that it will not circulate only among the rich from among you" (QS Al-Hashr [59]: 7).

In recognition of this, the Ijtima’ of the Indonesian Council of Ulama (Majelis Ulama Indonesia/MUI) held on November 9–11, 2021, issued a fatwa providing theological and practical guidance on taxation, customs, and levies.

Key principles derived from this fatwa emphasize that the relationship between the state and its citizens in Islam is founded on mutual responsibility to achieve *maṣlahah* (public benefit), protect religious values (*hirāsat al-dīn*), and manage worldly affairs (*siyāsat al-dunyā*). The government is obliged to seek lawful sources of revenue to fulfill its duty in ensuring public welfare, while citizens are required to pay taxes and levies as mandated by law, as a form of obedience to legitimate authority in pursuing collective benefit. Furthermore, tax policies must be implemented fairly and justly,

avoiding arbitrary or coercive practices similar to historically condemned unjust levies (*al-maks* or *al-jibāyāt al-jā'irah*) in Islamic tradition.

The MUI emphasized that tax policies must be underpinned by principles of justice, equity, and protection of citizens' rights. The recommendation was supported by foundational Islamic sources, including verses of Al-Qur'an (e.g., Al-Māidah (5): 2), several hadiths (e.g., from Muslim, Ahmad, Abū Dāwūd, and al-Bayhaqī), and scholarly consensus, such as from the Tunisian Fatwa Council, particularly in the condemnation of *al-maks*.

From the perspective of *Maqāṣid al-sharī'ah*, taxation functions not only as a tool for fiscal policy but also as an ethical obligation for both the state and the citizen, contributing to the stability and balance of the economic system.

Fiqh al-Mu'āmalāt on Cryptocurrency Ownership as Wealth

In Islamic commercial jurisprudence (fiqh al-mu'āmalāt), the concept of wealth (*māl*) is foundational. Wealth is defined as any legally permissible item or resource that holds value and can be utilized without violating Islamic principles. Al-Zuhaylī (2003) posits that wealth must possess economic utility and physical form, or at least be something that can be lawfully traded or exchanged.

Ownership (milk) in Islam entails the right to possess, use, and transfer property according to *sharī'ah* -compliant guidelines. Wealth serves multiple functions in Islam: it is a means of fulfilling basic needs, performing religious obligations (such as *zakat*), and contributing to social solidarity (through charity and public endowments).

Islamic jurisprudence classifies wealth into several categories such as: 1. *Māl mutaqawwam*: wealth legally recognized and permitted for use; 2. *Māl ghayr mutaqawwam*: wealth not legally recognized (e.g., items forbidden in Islam); 3. *Mithlī* and *qīmī*: fungible and non-fungible goods; 4. *Manqūl* and *ghayr manqūl*: movable and immovable property; 5. *'Ayn* and *dayn*: tangible assets and debts.

Cryptocurrencies raise novel questions within this framework. As digital representations of economic value, they lack physical form, are volatile in value, and are often decentralized. These characteristics have led to divergent scholarly opinions about their classification as lawful (*Māl Mutaqawwam*) wealth.

Egypt's Grand Mufti, Sheikh Shawki Allam, in 2018 declared cryptocurrency haram due to its association with illicit activities, lack of intrinsic value, and speculative nature. He further argued that its potential misuse for money laundering, fraud, and

financing prohibited activities contravenes Islamic principles of transparency and social responsibility.

The 2021 fatwa issued by the Indonesian Council of Ulama (MUI) on cryptocurrency concluded that the use of cryptocurrency as a medium of exchange is prohibited because it contains elements of *gharar* (uncertainty) and contradicts national currency regulations as stipulated in Law No. 7 of 2011. Furthermore, crypto assets that involve *gharar*, *darar* (harm), gambling (*qimār*), or fail to meet the *sharī‘ah* conditions for lawful tradeable goods (*sil‘ah*) are considered impermissible. However, crypto assets that are backed by underlying real assets and fulfill the criteria of *sil‘ah* *sharī‘iyah* may be traded—such as gold-backed tokens like GIDR.

However, a contrasting view was expressed in the 2022 *Baḥth al-Masā’il* forum hosted by Islamic Law Firm and Wahid Foundation. Their conclusions were: a. Crypto assets are considered wealth (*māl*) in Islamic jurisprudence and, if stolen or destroyed, should be compensated; b. Their exchange is permissible as long as it avoids *gharar*; differing views persist, but scholars agree that knowledge and clarity are essential in such transactions; c. The public should be cautious and informed before engaging in crypto trading; d. Governments are urged to implement strict regulations to prevent abuse and protect consumers.

The forum differentiated between asset-backed cryptocurrencies and purely speculative tokens, with the former being more acceptable under Islamic law. This differentiation is crucial when considering the *sharī‘ah* legitimacy of taxation on such assets. Islamic history reflects a cautious stance on state-imposed taxes. Classical jurists often opposed coercive levies unless necessary for public welfare. However, contemporary scholars like *Yūsuf al-Qaraḍāwī* and *Wahbah al-Zuhaylī* support state taxation if it aligns with principles of justice, transparency, and societal benefit (*maṣlahah*).

Cryptocurrency in Indonesian Tax Law

Under Indonesian positive law, cryptocurrency is recognized as a digital commodity eligible for trade on futures exchanges, as regulated by Bappebti Regulation No. 8 of 2021. While not accepted as legal tender, cryptocurrencies are treated as legitimate investment instruments. In 2022, the Indonesian government began implementing taxation on crypto transactions through the Ministry of Finance Regulation (Peraturan Menteri Keuangan/PMK) No. 68/PMK.03/2022. This regulation

established among others: 0.11% VAT (Value-Added Tax) and 0.1% Final Income Tax (PPh).

This fiscal policy was introduced to regulate and capture tax revenue from the growing digital asset sector. Since its implementation, crypto taxes have generated substantial state revenue, such as Rp. 246.45 billion in 2022, Rp. 220.83 billion in 2023, Rp. 620.4 billion in 2024, and Rp. 115.1 billion in Q1 2025. Cumulatively, crypto tax revenue reached approximately Rp. 1.2 trillion by early 2025.

In July 2025, the Directorate General of Taxes issued a revised regulation, PMK No. 50/2025. Article 2(1) states that the delivery of crypto assets equated with securities is exempt from VAT. However, Article 2(2) clarifies that VAT still applies to i.e. Electronic platform services (PPMSE) facilitating crypto transactions and Verification services provided by crypto miners. This regulatory shift marks a new phase in Indonesia's crypto taxation framework. The VAT exemption may reduce direct tax income from certain transactions, but it is expected to stimulate digital asset activity and strengthen market development.

The dynamic between positive law and Islamic legal perspectives reflects a broader need for policy harmonization. For taxation on crypto to be deemed *shari'ah*-compliant, it must uphold the principles of justice, prevent exploitation, and serve the public interest. The evolving legal stance in Indonesia presents an opportunity to align fiscal policy with both constitutional mandates and religious ethical values.

Conclusion

The aim of this research is to evaluate the application of tax on cryptocurrency transactions from an Islamic legal perspective. Based on the results of the analysis and discussion, this study concludes that the implementation of taxation on cryptocurrency transactions has a strong alignment with the principles of *Maqāṣid al-shari'ah*, particularly in the domain of *hifz al-māl* (protection of wealth). Taxation serves as an instrument to promote equitable wealth distribution and prevent economic exploitation, which resonates with the broader objectives of Islamic law in ensuring socio-economic justice. While scholarly opinions remain divided regarding the legal status of cryptocurrency as a *shari'ah*-compliant asset, taxation policies on the crypto assets may still be justified from an Islamic legal perspective provided they uphold the principles

of fairness ('adl) and public interest (maṣlahah) and certainly satisfy the Indonesian law.

Implications and Limitations

This research further offers managerial implications for governments and fiscal regulators in Muslim-majority countries, particularly Indonesia. It highlights the need for taxation policies on digital assets to go beyond a purely legal-formal orientation and incorporate *shari'ah* values into their design and implementation. Developing comprehensive *shari'ah* guidelines and providing accessible public education on the risks, ethics, and religious considerations of cryptocurrency transactions are essential steps toward increasing awareness, promoting compliance, and strengthening public trust. This approach may also foster a regulatory environment that harmonizes between state law and Islamic legal norms.

However, this study is subject to several limitations. It relies solely on a normative-*shari'ah* approach using secondary data and does not incorporate empirical insights from cryptocurrency market participants, religious scholars, or regulatory authorities. In addition, the research lacks a comparative dimension in evaluating how other countries especially those with *shari'ah*-oriented legal frameworks regulate and tax cryptocurrency transactions. These limitations suggest that further interdisciplinary investigation is required to deepen the understanding of crypto taxation in the context of Islamic finance and law.

Future research is therefore recommended to adopt an empirical approach to explore Muslim community perceptions of cryptocurrency taxation and to develop context-specific models for tax or zakat collection that align with Islamic legal principles. Incorporating qualitative data through interviews or surveys with stakeholders such as tax authorities, *shari'ah* boards, fintech operators, and crypto investors would offer practical insights. Moreover, conducting comparative international studies would provide a broader framework for designing inclusive and equitable fiscal policies that reflect both Islamic ethical values and the evolving dynamics of the global digital economy

References

Alalwan, A. A., Dwivedi, Y. K., Rana, N. P., & Algharabat, R. (2018). Examining factors influencing Jordanian customers' intentions and adoption of Internet banking: Extending UTAUT2 with risk and trust. *International Journal of Information Management*, 44, 210–220.

Aggarwal, S., & Kumar, N. (2021). Cryptocurrencies. In *Advances in Computers* (Vol. 121, pp. 227-266). Elsevier.

Al-Zuhaili, Wahbah. *Al-Fiqh al-Islami wa Adillatuhu*, Jilid 4. Damaskus: Dar al-Fikr.

Antonio, M. Syafii. (2001). *Bank Syariah: Dari Teori ke Praktik*. Jakarta: Gema Insani.

Bappebti. (2021). *Peraturan Bappebti No. 8 Tahun 2021 tentang Pedoman Penyelenggaraan Pasar Fisik Aset Kripto*.

Bongini, P. A., Mattassoglio, F., Pedrazzoli, A., & Vismara, S. (2025). Crypto ecosystem: navigating the past, present, and future of decentralized finance. *The Journal of Technology Transfer*, 1-22.

Butarbutar, Elisabeth Nurhaini (2018) Metode Penelitian Hukum (Langkah-langkah Untuk Menemukan Kebenaran Dalam Ilmu Hukum), Bandung, PT.Refika Aditama, 2018, Cet. Ke-1, hlm.84.

Chapra, U. (2008a), *The Islamic Vision of Development in the Light of Maqasid Al-Shariah*, IIIT, London.

Davis, F. D. (1989). Perceived usefulness, perceived ease of use, and user acceptance of information technology. *MIS Quarterly*, 13(3), 319–340. <https://doi.org/10.2307/249008>

Directorate Jenderal Pajak. (2022). *PMK No. 68/PMK.03/2022 tentang Pajak atas Transaksi Aset Kripto*.

Directorate Jenderal Pajak. (2022). *PMK No. 50/PMK.03/2025 tentang Pajak Pertambahan Nilai dan Pajak Penghasilan atas Perdagangan Aset Kripto*.

DSN-MUI. (2017). Fatwa No. 116/DSN-MUI/IX/2017 tentang Uang Elektronik.

Dusuki, Asyraf Wajdi & Bouheraoua, Said. (2011). *The Framework of Maqasid Al-Shari'ah and Its Implications for Islamic Finance*. ISRA Research Paper.

Huda, Misbahul dan Soelistyo, Poernomo.A (2025), *Journal of Islamic Economics, Banking and Social Finance*, Vol.1 No.1 2025, pp.42-54; e-ISSN; 3109-0389, tentang Analisis Hukum Islam dan Hukum Positif di Indonesia Terhadap Investasi Cryptocurrency.

Hikam, M., Siswanto, S., & Djalaluddin, A. (2025). Integrating digital services in Islamic social finance: A service-dominant framework. Share: Jurnal Ekonomi dan Keuangan Islam, 14(1), 285-318.

Gefen, D., Karahanna, E., & Straub, D. W. (2003). Trust and TAM in online shopping: An integrated model. MIS Quarterly, 27(1), 51–90.

Kajian Islam Bahtsul Masa'il oleh *Islamic Law Firm dan Wahid Foundation* dengan tema "Bahas Halal Haram Transaksi Kripto" (NU Online, 2022).

Pratama, Yovianda Arief, 2023 "Perlindungan Hukum terhadap Pemegang Cryptocurrency di Indonesia" Jurnal Sosial dan Sains 3(12): 7-18

Laldin, M. A., & Furqani, H. (2013). The foundations of Islamic finance and the maqasid al-Shari'ah requirements. Journal of Islamic Finance, 2(1).

Marangunić, N., & Granić, A. (2015). Technology acceptance model: a literature review from 1986 to 2013. Universal access in the information society, 14(1), 81-95. Qaradawi, Yusuf. *Fiqh al-Zakah*, Vol. 1-2. Kaherah: Muassasah al-Risalah.

Mukhlisin, M. (2020). Level of Maqāsid ul-Shari'āh in Financial Reporting Standards for Islamic Financial Institutions, Journal of Islamic Accounting and Business Research, Vol. 12 No. 1, pp. 60-77. <https://doi.org/10.1108/JIABR-03-2020-0090>.

Rahayu, Siti Ayu (2023), Pemungutan Pajak pada Investasi Kripto (<http://jurnal.stie-aas.ac.id/index.php/jap>).

Witbrodt, M., & Shapiee, R. (2013). Financial Crisis, Fiqh Muamalat and International Commutative Transactions: An Empirical Assessment of the Value of Contemporary Currency in Light of the Prohibition against Gharar. Jurnal Pengurusan, 39, 15–29.