

The Perspective of Islamic Law on Cryptocurrency for Commodity Future Exchange in Indonesia

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Abstract

Crypto currency is virtual money that is in cyberspace and has no concrete forms. Some types of Crypto currency include ripple, ethereum, litecoin, monero, zcash, and bitcoin. The use of bitcoin as a means of payment in online trading transactions in the era of disruption 4.0 became widespread and unstoppable, even though the Government has banned the practice. This study aims to get an overview of the bitcoin Crypto currency, implementation of online goods and services transactions, and the validity of its use in commodity futures trading according to the perspective of Islamic law. This research is a literature study and is qualitative. The data analysis technique used is descriptive-analytical with a normative juridical Islamic law approach. The results show that the implementation of online buying and selling transactions using bitcoin in Indonesia is following Islamic law because the terms, conditions, and procedures for using bitcoin are not much different from online transactions using e-money in general. Bitcoin cannot be used as a commodity in Sharia Derivative Contracts, because it still contains speculative elements (maysir) that are chancy.

Keywords: Crypto currency, Bitcoin, Buy and Sell online, Commodity Futures Trading, Sharia Derivative Contracts.

Introduction

"Islamic finance is now on the verge of either a major transformation or a period of frustration and may have declined." (Vogel & Hayes, 1998) This expression reflects that fiqh seems to be limping away from the rapidly developing dynamics of human life. The impact is that people feel confused when they meet something new which has not yet received confirmation (legal standing) from the religious side. This is positive news because Muslims still feel anxious or doubtful (syakk) if what is done does not get legitimacy from religion. But on the other hand, their confusion is also a reflection that the development of fiqh is always in a wait and see a position, not as an action force but only as a reactionary.

One of the things that are classified as new (bid'ah / jadid) is commodity futures trading and the use of bitcoin cryptocurrency as a commodity subject in it. Gold, oil, palm, coal are among the most sought-after commodities in the Indonesian Futures Exchange. Crypto money as a newcomer to the world of commodities denotes a new era or also known as 4.0 in business in Indonesia. The difference between this crypto money and other commodity subjects is that finding online buying and selling transactions (goods and services) uses bitcoin as a means of payment. It is this dual function that raises the pros and cons of the views of the Economist, the Government Authority and Cleric. Cryptocurrency appears (Nakamoto, 2009) as a concept of virtual currency or digital money that can be used as a means of payment or a medium of exchange and transactions via the internet. Because it is intangible and cannot be felt or felt.

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Bitcoin is a decentralized cryptocurrency, managed by peer-to-peer technology and without a central authority. All functions go through the system. Bitcoin was developed with the idealism that a good currency is not controlled by the government or the central bank. The government is always controlled by corrupt people and only works for personal gain so that financial decisions are always in favor of mere tycoons (Darmawan, 2018).

In February 2019, the Government of Indonesia through the Commodity Futures Trading Regulatory Agency (BAPPEBTI) issued official rules on Crypto currency such as bitcoin and was judged to have given certainty to the digital financial transaction market. BAPPEBTI has issued Regulation Number 3 of 2019 concerning commodities that can be subject to Futures Contracts, Sharia Derivative Contracts and/or other Derivative Contracts traded on commodity futures exchanges.

The purpose of this study is twofold, namely to determine aspects of Islamic law against bitcoin in Commodity Futures Trading in Indonesia. As well as knowing the opportunities for bitcoin to become a commodity subject in Sharia Derivative Contracts (Sharia Commodities) in Indonesia. The formulation of the problem in this study is as follows: What is the legal position of bitcoin as a commodity in Futures Trading in Indonesia according to Islamic law? and what are the opportunities for bitcoin as a commodity in a Sharia Derivative Contract ?

This issue concerns the interests of a wide audience so it has great significance to be studied. The results of this study will theoretically provide and increase reader knowledge about matters relating to the concept of money and business in Islam, including Crypto currency online financial transactions, especially in this case buying and selling using bitcoin. Practically, this research can provide understanding for compilers in particular, and readers in general about the implementation of online trading transactions and commodity futures trading using bitcoin. So that readers are expected to get basic reference references related to all discussions about financial transactions using bitcoin, then it can be applied in life.

Literature Review

This study refers to several previous studies, including:

1. Anwar (2016) Masters in Islamic Law from SunanKalijaga University in Yogyakarta, researching and analyzing the currency of bitcoin as a transaction tool from the perspective of Islamic law. The results of his research indicate bitcoin has the nature of gharar and maysir. Gharar because the object is not visible if traded and how to obtain it if traded. Bitcoin is maysir because there are speculation and gambling in it, namely in the practice of buying and selling bitcoin.
2. Hafidz (2016) A Lecturer at STAIN Pekalongan examines Commodity Futures Trading: Fiqh and Economic Aspects. The results of this study are Commodity Futures Trading (CPB) hedging as the main objective. But for some 'illicit investors', PBK was used to make blind speculations that divert and change the existence of PBK. In the perspective of Islamic economics, PBK also remains a problem related to the legal basis that can be used to justify its implementation in the contemporary economy.
3. Diasti (2017) A researcher from the Faculty of Law, GadjahMada University, Yogyakarta. The results of this study can be concluded that the legal position of bitcoin in the Civil Code is an intangible movable object because it meets the provisions in Article 499. Bitcoin has the opportunity to be traded in futures trading due to high price volatility and market characteristics, but must first be legally declared as a commodity and fulfill the provisions that have been regulated by BAPPEBTI.

In general, the difference between this thesis and previous studies is that this research focuses on the position of Crypto currency as a commodity in futures trading in Indonesia. Previous research has researched both positive law and the bitcoin Islamic normative approach as a currency and payment tool in general. The absence of an Islamic perspective on the position of bitcoin as a trade commodity that has been legalized in Indonesia. The perspective of Islamic law or drawing on the red thread using Islamic sharia principles through the Mashalihu-l Mursalah approach and the theory of "Legitimate and Legal Business Transactions" is taken from the view of the Clerics and credible Islamic authorities. This is what researchers use to conclude the final results of the research.

A Crypto currency

One of the spectacular technological advancements in economics is the creation of Crypto currency or cryptocurrencies that are in cyberspace. Crypto currency has many kinds, including ethereum, ripple, lisk, ether, maidsafecoin, litecoin, storjcoinx, dash, dogecoin, monero, zcash, and bitcoin (BTC) (Kelly, 2018). With virtual money, now, business transactions can be done online / online without involving intermediaries such as banks.

Transactions are carried out instantaneously, across countries, across continents, faster, easier, cheaper and more secure.

| # | Name | Market Cap | Price | Volume (24h) | Circulating Supply | Change (24h) | Price Graph (7d) |
|----|--------------|-------------------|------------|-----------------|-----------------------|--------------|------------------|
| 1 | Bitcoin | \$137,567,032,436 | \$8,103.52 | \$4,893,430,000 | 16,978,675 BTC | 0.19% | |
| 2 | Ethereum | \$50,466,302,260 | \$510.63 | \$1,558,410,000 | 98,831,061 ETH | 0.46% | |
| 3 | Ripple | \$25,364,090,434 | \$0.648320 | \$525,815,000 | 39,122,794,968 XRP * | -0.25% | |
| 4 | Bitcoin Cash | \$12,950,484,647 | \$758.47 | \$274,452,000 | 17,074,463 BCH | 0.60% | |
| 5 | Litecoin | \$7,224,276,889 | \$128.80 | \$240,398,000 | 56,090,413 LTC | 0.34% | |
| 6 | EOS | \$6,665,437,396 | \$8.39 | \$1,221,380,000 | 794,853,811 EOS * | -4.86% | |
| 7 | Cardano | \$5,451,633,268 | \$0.210268 | \$105,567,000 | 25,927,070,538 ADA * | 3.36% | |
| 8 | Stellar | \$4,941,888,481 | \$0.266270 | \$54,153,600 | 18,559,689,343 XLM * | 4.16% | |
| 9 | NEO | \$4,276,291,500 | \$65.79 | \$83,710,800 | 65,000,000 NEO * | 1.58% | |
| 10 | IOTA | \$4,257,211,967 | \$1.53 | \$76,382,600 | 2,779,530,283 MIOTA * | 10.52% | |

Figure 1. List of Crypto Currencies (Nubika, 2018)

History of Bitcoin

Bitcoin is a virtual currency that was developed in 2009 by someone under the pseudonym Satoshi Nakamoto. Bitcoin as a currency has several features, namely: 1) Instant peer-to-peer transfers, 2) Transfers anywhere, without fees, 3) Transactions are irreversible, meaning once transferred cannot be canceled, 4) Bitcoin transactions are anonymous, 5) Bitcoin is not controlled by any institution or government.

The basic concept of bitcoin is to create a decentralized authority transaction system, without a third party that verifies using the digital signature concept on each transaction (Nakamoto, 2008). This virtual coin is a nominal value that can be transacted and is a series of connected digital signatures.

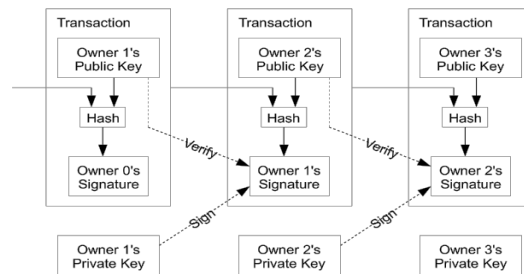


Figure 2. Block Digital Signature (Darmawan, 2017)

Banks generally restrict customer access, but with bitcoin technology, every transaction can be seen by all people who are members of the bitcoin network, access to this information is also still anonymous because it is unknown who the owner.

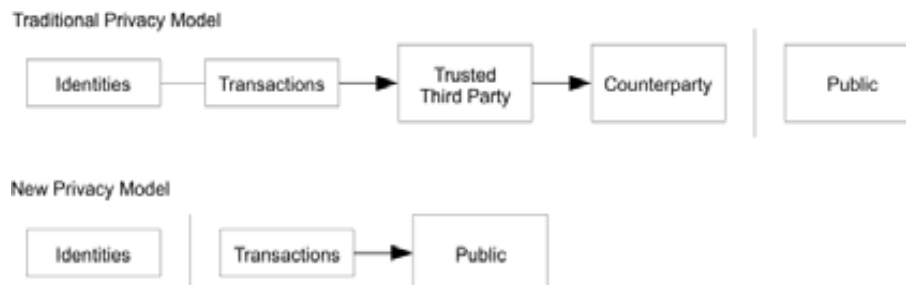


Figure 3. Privacy Graph Source (Nakamoto, 2008)

Bitcoin is virtual money that is currently treated as an official currency, as evidenced by the creation of a bitcoin ATM. This machine was first invented by digital money ATM manufacturers based in Prague, Czech. They then installed 10 digital ATM cash machines spread throughout the subway system in European cities (Sondakh, 2016).

The manufacturer of the bitcoin ATM printer, General Bytes, officially launched the bitcoin ATM map on the company's website by displaying 10 different locations at each stop. According to data from the Radar Coin ATM, counting bitcoin ATMs in the United States have reached 1,960 units. The second-largest digital money ATM printer in Canada. Then there are as many as 46 Bitcoin ATMs in the Czech Republic and more than 3,150 ATMs spread across 70 different countries, one of which is Indonesia.

This bitcoin ATM is now available in 3 locations, namely:

1. Bitcoin ATM in Jakarta - LTC Glodok, Ground Floor 1 Block B2 no 2 Jakarta, Indonesia.
2. Bitcoin ATMs in Ubud - Hubud, Monkey Forest Road 88X, Ubud Gianyar Bali 80571, Indonesia.
3. Bitcoin ATMs in Kuta, Bali - Information Center, Legian Kaja Street, No. 455 Kuta, Bali Indonesia.

The Concept and Function of Money in Islamic Economics

Islam views money only as a medium of exchange, not as a commodity (commodity). Therefore, the motive for the demand for money is to meet transaction needs (money demand for transactions), not for speculation (Arifin, 2002). Islam also strongly advocates the use of money in exchange, the Prophet Muhammad also prohibited the exchange that there is an element of usury in it. Allah SWT says in the Qur'an Al-Kahf (18) verse 19 which means as follows:

It means: "Then send one of you to go to the city with your silver coins and let him see which is the best food, so he should bring the food for you and he should behave gently and do not ever tell your thing to anyone".

In the Islamic concept, there is no known money demand for speculation, because speculation is not allowed. Contrary to the conventional system of giving interest on the property, Islam makes the property the object of zakat. Money is the property of the community so hoarding it under a pillow (not productive) is prohibited because it reduces the amount of money circulating in the community.

According to Afslafsson (2014), in the journal "Is Bitcoin money? An analysis from the Austrian School of Economic Thought" money itself must have several main functions, namely:

1. As a medium of exchange,
2. As a unit of account,
3. As a store of value and
4. Sukirno (2004) added that its function is also a means of delayed payment.

Commodity Futures Trading Platform (PBK)

Along with the times, many types of Islamic financial transactions have now been found to develop from the simplest to the very complex concepts. Starting from the sharia banking industry, sharia insurance, capital markets and the stock exchange (Yusuf, 2008). Besides, Indonesia also has a commodity futures exchange, known as the Jakarta Futures Exchange (BBJ), which only received official permission since November 21, 2000, and began official transaction activities on December 15, 2000.

In article 1 paragraph 4 of Law Number 10 the Year 2011 concerning Amendments to Law No. 32 of 1997 Commodity Futures Trading: "Futures Exchange is a business entity that organizes and provides systems and or facilities for the sale and purchase of commodities based on futures contracts, sharia derivative contracts and or other derivative contracts."

Commodity exchanges are the meeting place between the demand and supply of commodities and their derivatives. The seller and the buyer of commodity goods meet at the exchange. In addition to buyers and sellers, there are also intermediary traders known as commissioners and brokers. The commissioner takes his position, while the broker cannot hold the position.

As for commodities, there are several definitions, including: First, a real object that is relatively easy to trade can be physically delivered, can be stored for a certain period and can be exchanged with other products of the same type, which can usually be bought or sold by investors through the futures exchange.

Second, more generally, a product traded includes foreign exchange, financial instruments, and indices.

The characteristic of a commodity is that the price is determined by supply and market demand, not by the supplier or seller. Then, the price is based on the calculation of the price of each commodity. Examples are agricultural products such as coffee, cocoa, sugar, soybeans, corn, crude palm oil or crude palm oil (CPO), olein and gold.

Futures contracts are contracts that have the option of physical delivery or cash settlement at a price, time and place that has been standardized by the Commodity Exchange. In futures trading, the commodity is replaced by a contract and the unit value used is a lot. If a futures contract is carried out using cash settlement (without delivery of goods), then the futures trader who suffers a loss is obliged to transfer a sum of cash to the profit-making trader (Nurlaela, 2014).

Type of Commodity Futures Trading

Commodity Futures Trading (CFT) has several types. Commodity futures markets are divided into two types namely Over the Counter (OTC) and futures exchanges. OTC is a futures market bilateral contract system. Whereas the futures market is a multilateral contract system futures market. OTC commodity is often also called the Commodity Market. While the futures exchange is often called the Commodity Exchange (Samsul, 2010).

Of the two types are further divided into several types of contracts. Commodity Market (OTC) has two types of contracts namely Forward and Swap Contracts. A forward contract is a contract of agreement to sell or buy an asset/commodity at a certain price for future delivery. The specifications of the forward contract are determined by the parties who transact in an organized exchange. The party who agrees to buy assets/commodities is referred to as the holder of the long position, while the other party who agrees to sell is called the holder of the short position.

Swap contracts are contractual agreements where buyers and sellers trade different products. The buyer seems to exchange goods differently from the goods owned by the seller. The terms of exchange carry limitations on traded products. Generally implemented on products such as foreign currency (currency), interest rates (interest rates), and this equity also applies for several periods (Diasti, 2018).

Commodity Exchange according to Law Number 10 of 2011 concerning commodity futures trading has four types of contracts, namely futures contracts, derivative contracts, sharia derivative contracts and options contracts.

1. Futures Contract

A futures contract is a standard form of contract to buy or sell commodities with a settlement as stipulated in a contract traded on a futures exchange.

2. Derivative Contracts

Derivarifous contracts are contracts whose price and value depend on the subject of the commodity. A derivative transaction is an agreement between two parties known as counterparties. Generally, derivative transactions are bilateral contracts or payment exchange agreements whose value depends on the value of the asset, reference level or index.

3. Sharia Derivative Contract

Sharia Derivative Contracts are derivative contracts that are following sharia principles. The Sharia Business Unit and the Jakarta Futures Exchange Sharia Financial Institution (BBJ) have been formed to provide a system and accommodate the needs of the financial industry for a commodity transaction instrument that meets sharia principles.

4. Option Contract

An Option Contract is a contract that gives the buyer the right to buy or sell certain futures or commodity contracts at a price level, the amount within a specified predetermined period by paying a premium. Options markets are trades in which the buyer has the option to buy (call option) and the right to sell (put option).

The Legal Legality of Bitcoin in Commodity Futures Trading (PBK) in Indonesia

Regulation of the Minister of Trade of the Republic of Indonesia Number 99 the Year 2018 Concerning General Policy for the Implementation of Crypto Asset. Stipulate in Article 1 that Crypto Assets are determined as commodities that can be used as Futures Contract subjects traded on the Futures Exchange.

Article 2 explains further arrangements regarding the designation of Crypto Assets as commodities that can be used as Futures Contract subjects traded on the Futures Exchange, their development, supervision, and development are stipulated by the Head of the Commodity Futures Trading Regulatory Agency.

In BAPPEBTI Regulation No. 3 of 2019 concerning Commodities which can be subject to Futures Contracts, Sharia Derivative Contracts, and/or other Derivative Contracts, it is stated that commodities that can be subject to Sharia Derivative Contracts traded on the Futures Exchange include all commodities as referred to in Article 1 and has received a fatwa from the National Sharia Council, Indonesian Cleric Council.

In BAPPEBTI Regulation No. 5 of 2019 concerning Technical Provisions for the Implementation of Physical Market for Crypto Assets on the Futures Exchange, it is mentioned in Article 1 that Tokens are a form of Crypto Assets that are made as derivative products from coins. Coins are a form of Crypto Assets that have their blockchain configuration and have characteristics like the Crypto Assets that first appeared, namely bitcoin.

Discussion

The vision of global exchanges is to improve the welfare of the nation, achieving stable economic growth in Indonesia. Its mission is to realize the formation of prices that become a reference for world commodity prices. With this increase, demand for commodities will continue to be significant resulting in an increase in commodity prices. Commodity prices will continue to increase in line with inflation. Through the Futures Exchange, market participants can protect commodity prices against inflation (BKDI, 2014).

The stock exchange authority seeks to create a fair and healthy market by setting the following conditions:

1. Imposing a ban on a mockery of prices by manipulating demand (bai 'najasy) and engineering of supply (ikhtikar).
2. Prohibit the trade of uncertain commodities (taghrir or gharar).
3. Prohibit the sale of something that is not owned.
4. Prohibit all forms of usury.
5. Manage each transaction so that a transfer or contract of ownership of the asset occurs.
6. The most common form of buying and selling transactions is trading at the exchange of commodities and prices (bai'al-mu'ajjal) or suspending the giving or handing over of commodities (bai'al-salam or bai 'al-isthisna').
7. Money is not a commodity (commodity) but only a medium of exchange. Therefore, Islam forbids ribawi transactions that consider money as a commodity (Nafik, 2009).

Analysis of Legal Aspects of Commodity Futures Trading Using Bitcoin in Indonesia

Commodity trading on the Exchange, both in the form of Physical Handover Trade and in the form of Advanced Trading, Generally in the DSN-MUI Fatwa relating to commodity trading based on sharia principles No. 82 of 2011, the legal commodity exchanges may comply with the provisions stipulated in the fatwa. Whereas in terms of making bitcoin a commodity traded on the exchange, the researcher refers to some propositions from the principles of fiqh and Cleric views, namely as follows:

الصَّرْرُ يُدْفَعُ بِقَدْرِ الْإِمْتِكَانِ. (درر الحکام شرح مجلة الأحكام،
لمنلاخسرو، بيروت: دار إحياء الكتب العربية، المادة ٣١ / ١ / ٤٢)
تَصَرَّفُ الْإِمَامِ عَلَى الرَّعِيَّةِ مَنُوطٌ بِالصَّلَاحَةِ (السيوطي، الأشباه
والنظائر، القاهرة: دار السلام، ٢٠٠٤، ط ٢، تحقيق وتعليق: محمد
محمد تامر وحافظ عاشور حافظ، ج ١، ص ٢٧٦)

"All madbarat (danger, loss) must be avoided as far as possible."

"The actions or policies of the Imam [the authority holder] towards the people must be oriented to the mashlahat." (As-Suyuti, 2004)

مَأْدَى إِلَى الْحَرَامِ فَهُوَ حَرَامٌ (قواعد الأحكام في مصالح الأنام لعز
الدين بن عبد السلام، بيروت: دار الكتب العلمية، ٢١٩/٢)

"Anything that becomes a mediator (media) against illicit acts, then haram also the law"

The Institute of Jurisprudence which is the main branch of Rabithah al-Alam al-Islami has detailed and determined the law of each transaction at their seventh meeting held in 1404 AH, in Makkah al-Mukarramah. In connection with this issue, the assembly has made the following decisions:

1. The first decision states that the main purpose of the capital market (stock exchange) is to create a fixed and stimulant market where market mechanisms (supply and demand) occur and the traders and buyers can meet each other in buying and selling transactions.
2. The second decree states that spot transactions or direct transactions on goods in the seller's ownership are to be handed over if it is required that there be a direct handover when the shari'a transaction is permitted.
3. The third decision states that spot transactions on shares are permitted if the shares are already in the seller's ownership.
4. The fourth decision states that spot and forward transactions on receipts of receivables with interest systems of various forms are not permitted according to the Shari'a, because they are all trading activities based on forbidden usury.
5. The fifth decision states that forward transactions or futures transactions in all forms of illicit goods, i.e. shares and goods that are not in the seller's ownership in a manner that applies in the stock market, is not permissible according to shari'ah, this method is clear is forbidden by Islam based on the authentic hadith of the Prophet Muhammad which reads:

عَنْ حَكِيمِ بْنِ حِزَامٍ قَالَ أَتَيْتُ رَسُولَ اللَّهِ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ
فَقُلْتُ يَا تَيْبِي الرَّجُلُ يَسْأَلُنِي مِنَ الْبَيْعِ مَا لَيْسَ عِنْدِي أَتَبَاعُ لَهُ مِنْ
السُّوقِ ثُمَّ أْبَيْعُهُ قَالَ لَا تَبِعْ مَا لَيْسَ عِنْدَكَ (رواه الترمذي)¹³

Meaning: "Narrated from Hakim bin Hizam, he said: I went to the Prophet, said: A man came to me asking me to sell an item that was not available to me, I would buy it for him in the market and then I would sell it to that person. The Messenger of Allah (san) answered: "Do not sell anything that is not in you. (H.R. Tirmidzi).

6. That the forward transaction in the stock market is not the sale and purchase of Salam which is permitted in Islamic law, because there are differences between the two.

Based on the postulates and views of Islamic law described above, the researcher applies bitcoin to the Mashlahah al-Mursalah method. The benefit from the perspective of Shari'a can be divided into three, there are those who are obliged to implement it, there are Sunnahs to implement it, and there are those who are permissible. Likewise, interpretations, some are forbidden to carry out and there are makruh implement them.

When facing mafsadah at the same time, it must take precedence over the worst result. However, if there is between maslahat and mafsadah, then what should be chosen is more maslahat and if it is equal or equal, then rejecting mafsadah is more important than gaining benefit, because refusing mafsadah is a benefit (Djazuli, 2011).

Analysis of the Legal Aspects of Bitcoin According to the Cleric View

In general, Clerics and Islamic scholars have two different opinions. First, some Clerics argue that cryptocurrency is haram, meaning that it is forbidden by sharia. Other groups are of the view that Crypto currency is in principle halal, meaning that it is permitted (Abu Bakar, 2018).

Egypt's Grand Mufti Shaykh Shawki Allam (2018) has stated that bitcoin and Crypto currency are harams. Because bitcoin is easy to use for illegal activities, it is intangible and can only be used via the internet. Bitcoin allows for money laundering and fraud.

1. Turkish Government

The Turkish government's religious authority also states that bitcoin and all other cryptocurrencies are prohibited. The Fatwa states that buying and selling virtual currencies is not compatible with religion at this time.

Because their judgment is open to speculation (excessive gharar), they can easily be used in illegal activities such as money laundering and they are not under state audit and supervision (Abu Bakar, 2018).

2. Fatwa Center

Palestine Fatwa Center of Palestine also issued fatwas related to bitcoin and Crypto currency. Fatwa states that bitcoin and Crypto currency are haram and are prohibited based on the reasons that bitcoin publishers are not known and the government and central authority are not behind it. Bitcoin is a type of gambling. Bitcoin is subject to high speculation because there is no basis for speculation control in bitcoin and another Crypto currency.

3. Shaykh Haitam

From the UK Muslim-based Muslim scholar Shaykh Haitam wrote a paper in Arabic, he stated that bitcoin and other cryptocurrencies are prohibited and not compatible with sharia.

4. Abdullah bin Muhammad bin Abdul Wahab Al'Aqil (2017)

A Sharia Faculty Doctorate at the Islamic University of Madinah, Saudi Arabia stated that bitcoin is a type of money that is independent, has the nature and function of money in general, is an intermediary in the transaction of goods and services and has value. There is an element of usury that flows in determining the value/price of bitcoin. Mining in bitcoin is permitted using ju'alah contracts.

5. Fatwa of the Government of Saudi Arabia

In December 2017, Saudi Cleric Sheikh Assim Al-Hakeem claimed that the digital currency "bitcoin" was prohibited under Islamic law. He stated that bitcoin is an open gate for money laundering, buying and selling drugs and smuggling. Therefore this kind of money is unlawful.

6. Legal Counsel

Indian Muslim Personal (AIMPLB) The Indian Muslim Personal Law Council (AIMPLB) refers to bitcoin as un-Islamic. According to them, bitcoin has no established rules, so it is considered an illegal (canceled) contract in Islam. The Reserve Bank of India (RBI) banking institution has also banned any transactions in the form of bitcoin in India.

Other experts are of the view that bitcoin is allowed in principle. This view can be analyzed based on previous exposure concerning the criteria and definitions of money and buying and selling. The famous jurisprudence rules explained by legal experts, namely:

"الأصل في المعاملة الإباحة إلا أن يدل الدليل على تحريمها"

This means that the rules of origin are permitted in financial and business transactions (Ibrahim, 1999). In other words, everything is permitted unless a proposition is found that is contrary to Islamic principles. According to this principle, cryptocurrency is permitted in principle. Likewise, anything can be considered as money if it has these attributes:

1. Treated as valuable among people,
2. Accepted as a medium of exchange by all or a large group of people,
3. Is a measure of value and
4. It is an account unit.

Some other famous qouls in Islamic economic ethics, namely a brief phrase from Ibn'Taymiyyah:

الأصل في العقود رضا العاقدین

"The basis of the contract is the pleasure of both parties."

In the book i'laamulMuwaqqin, IbnulQayyim said:

فإن الفتوى تتغير بتغير الزمان والمكان والعوائد والأحوال، وذلك كله من الله، وبالله التوفيق

"Fatwas can change with changing times, places, customs and conditions. And all that comes from God. Wabillahittaufiq. " Muhammad Mushthafa Az-Zubaily in the book Al Qawaid al Fikihyyah explains the rules:

قد يكون بعض الأحكام الشرعية يبنى على عرف الناس وعاداتهم، فإذا اختلفت العادة عن زمان قبله، تتغير كيفية العمل بمقتضى

الحكم، وأما ما أصله على غير ذلك فلا تتغير

"Sometimes several Sharia laws are based on human habits and customs. So if the custom has changed from the custom in the previous era, the technical and legal changes will also change, while the Shari'a laws whose origin is not based on human customs and habits have not changed."

Based on the argument above, all digital/virtual currencies that meet the requirements (bitcoin) can be accepted as money. The South Africa Islamic Seminar Fatwa Center, DarulUloomZakariyya, has taken the position that bitcoin meets the requirements as money, therefore it is allowed to trade. However, they note that to qualify as a currency, the money must be approved by the relevant government authorities (Abu Bakr, 2018).

The Indonesian government has yet to issue official regulations/provisions regarding the prohibition or sanctions related to the public who are still conducting online trading transactions using bitcoin. Because basically, the buying and selling activities are the existence (of) an agreement between the seller and the buyer starting from the goods and means of payment exchanged for the transfer of ownership. However, if there is a dispute between the two parties, the Government is not responsible for it.

Referring to the exposure to the view of bitcoin above, researchers can conclude that most Clerics and State authorities agree that it will not allow (haram) bitcoin in its function as a tool to replace legitimate money. Although bitcoin has several advantages and positive sides such as controlling inflation, security, transaction efficiency, decentralization, and others. Jumhur Cleric has the same view that bitcoin is too much speculation, intangible, contains elements of usury in the absence of official government regulations (legal umbrella) and can be easily used for illegal activities.

Analysis Of Bitcoin's Opportunity As A Commodity In Sharia Derivative Contracts (Sharia Commodities) In Indonesia

Sharia Derivative Contract is a commodity trading derivative contract by sharia principles. The Sharia Business Unit and the Jakarta Futures Exchange Sharia Financial Institution (BBJ) have been formed to provide a system and accommodate the needs of the financial industry for a commodity transaction instrument that meets sharia principles. The legal basis used by the DSN-MUI Fatwa Number 82 of 2011 concerning Sharia Commodity Trading.

The researcher concludes that technically and practically, the crypto asset used as a commodity in futures trading in Indonesia has reached the Islamic elements. Strict regulations, implementing the principle of Know Your Customer (KYC) well, the screening process for illegal practices, money laundering and terrorism and reporting official documents that must be approved by the centre and customer protection by the Indonesian government, in this case, BAPPEBTI, has been able to strengthen security guarantees the public in business on commodity futures exchanges. In accordance with the principles of fiqh stating that the Government is obliged to protect and regulate all matters relating to the lives of its people and to always prioritize the benefits and benefits of the people as a whole.

"The actions or policies of the Imam [the authority holder] towards the people must be oriented to the mashlahat." (As-Suyuti, 2004).

The minimum standard provisions for capital/assets of the manager or Provider of credit assets, in this case, bitcoin, are the Government of Indonesia's efforts to maintain managerial liquidity so that they are always on the green belt or can be said to be controlled / safe. If there is a dispute or a criminal act that violates the rules, it can be settled by consensus or law at the Commodity Futures Trading Arbitration Agency (CFTAA) or the District Court (Pengadilan Negeri/PN) in Indonesia.

According to some previous scholars' views, bitcoin also has a negative side in its position as a currency, as a medium of exchange or a means of payment as well as a commodity in futures trading. Based on the rules of fiqh proposal which reads:

دَرَّةُ الْمَفَاسِدِ مُقَدَّمَةٌ عَلَى جَلْبِ الْمَصَالِحِ

"And do not help in committing sins and transgressions, and fear you, Allah, Verily Allah is very torment of Him."

The above rules mean that it is better / main to avoid mafsadah (ugliness/damage) rather than take advantage, this implies Researchers that in commodity trading in Indonesia bitcoin is still unable to avoid some traits that are prohibited in buying and selling according to Islamic law, one of which is speculation.

Speculation is a phenomenon of buying something at a low price in the hope of selling it in the future at a high price. If the price of an object in the future is expected to be higher than the current price, then a speculative buyer will buy it with the hope to sell it in the future. Likewise, if future prices are expected to be higher than current prices, speculators will sell their goods now to avoid selling at low prices in the future. This type of business is rejected by Islam (Karim, 2004).

Vulnerable to be used for helping disobedience. Money laundering, embezzlement of funds and other illegal activities are elements that are difficult to avoid in the use of bitcoin commodities. The money used for investing in bitcoin assets comes from illegitimate money that was deliberately removed so as not to be tracked by local authorities. The majority of Clerics agreed that it would be forbidden if it was proven to lead to immoral acts.

There is an element of usury. Due to the highly volatile nature of bitcoin every day, bitcoin consumers/owners prefer to buy bitcoin when the price goes down, then sell it immediately when the price goes up, it is feared the price will drop the next day. Almost the same as sharf / buying and selling foreign currencies, most bitcoin owners do not intend to long-term investment or buy because of an urgent need, but rather buy to resell it if there is a profit. Referring to QS Al-Baqarah (2: 278) Allah SWT said which means:

"O you who believe, fear Allah and leave the rest of usury if you are a believer."

The level of gambling in the speculation of bitcoin commodity trading is fairly high, considering that shortly it has entered the year where bitcoin will soon run out. When 21 million units have been circulating in the market, no one can guarantee that bitcoin has a higher price because of its scarcity like gold which is guaranteed of its underlying assets. Conversely, bitcoin predictions can also be worthless bubbles when another Crypto currency: ethereum, altcoins, ripple, digicoïn and others are booming.

All transactions that contain elements of gambling (maysir), obscurity (gharar), fraud (tadlis) and rasuah are vanity, forbidden and haram the law. In the case of bitcoin, the rise and fall of the exchange rate of bitcoin is not related to the value of imports and exports or the economic condition of a nation, but depends on public opinion built into the marketing system. Therefore, this bitcoin business is like betting. This is the element of maysir. Thus, the use of virtual bitcoin money as a commodity in Islamic derivative contracts is haram or haram because there are other factors outside the substance.

Conclusion

From the results of the research that the researchers have described in the previous chapters, in this last chapter the researcher can conclude several things, namely:

1. Bitcoin Cryptocurrency uses a revolutionary technology called a blockchain. Blockchain is computer software that contains a database of all cross-border, cross-continent online payment transactions, which is easier, faster, cheaper and more confidential. Transaction data is automatically distributed peer to peer to the entire computer network of bitcoin users throughout the world so that it can be known and controlled by the public. Blockchain technology also functions as a safeguard against counterfeiting efforts and serves to prevent double expenditure. Blockchain technology is a revolutionary online payment technology that exceeds expectations, far better than the financial technology used by the banking world. This does not conflict with Islam and even supports a futuristic online payment system.
2. Crypto assets that have been used as commodities in futures trading have reached sharia elements. Strict regulations, implementing the principle of Know Your Customer (KYC), the screening process for illegal practices, money laundering and terrorism and reporting official documents that must be approved by the central government and customer protection by the Indonesian government, in this case BAPPEBTI, has been able to strengthen public security guarantees in business on commodity futures exchanges.
3. CPB in Indonesia does not have the element of gharar. Due to the minimum standard capital/asset provisions of the manager or Provider of credit assets, in this case bitcoin, is the Indonesian Government's effort to provide certainty, so that it is always on the green belt or can be said to be controlled / safe (safe). If there is a dispute or a criminal act that violates the rules, it can be settled by consensus or law at the Commodity Futures Trading Arbitration Board (BAKTI) or the District Court (PN) in Indonesia.

4. Bitcoin as a commodity in futures trading still contains elements of maysir because in it there is high speculation and is chancy. That is heavier than foreign exchange trading (foreign exchange). Accordingly, the use of bitcoin as an instrument in Islamic derivative contracts is haram or haram due to external factors (speculation / maysir, usury, vulnerable to illegal practices: money laundry).

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