

Cryptocurrency for Commodity Futures Trade in Indonesia: Perspective of Islamic Law

By
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Abstract

Cryptocurrency is a virtual money that does not have a physical form or concrete form in cyberspace. One of the few types of crypto money is bitcoin. The use of bitcoin as a means of payment in e-commerce lately has become increasingly widespread and unstoppable, even though the Government has banned the practice. In early 2019, the Government of Indonesia issued regulations regarding the legalization of bitcoin (crypto assets) in Commodity Futures Trading. The dual function of bitcoin as a commodity and exchange tool raises the pros and cons of scholars and economists. This study aims to obtain answers about bitcoin and cryptocurrencies, its usage in commodity futures trading according to the perspective of Islamic law and bitcoin's chance as sharia commodity in Indonesia . The theory applied is theory of legitimate and vanity business transactions in Islam. This research is a literature study and is qualitative in nature. The data analysis technique used is descriptive analytical with normative juridical Islamic law approach. From this research, the results show that cryptocurrency can be traded in Islamic commodity exchanges, provided that the State issues or create their own cryptocurrencies whose price depends on gold or the country's currency. Bitcoin cannot be used as a commodity in Sharia Derivative Contracts in Indonesia, because it contains a lot of speculation, maysir and is vulnerable to use for illegal activities. Bitcoin is haram lighairihi or haram because of external factors, so it should be avoided.

Keywords: Cryptocurrency; Bitcoin; Commodity Futures Trading; Sharia Derivative Contracts.

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INTRODUCTION

Human economic activities are now increasingly dominated by online activities. The internet has been transformed into a popular choice with all the conveniences and speeds provided. The era of digital economics 4.0 is an era marked by the rise of the use of the internet as a medium of communication, transactions and collaboration. Trading through cyberspace is known as e-commerce.

Digital or electronic money is a means of payment or exchange that is used in e-commerce financial transactions. This money cannot be touched because of its digital form. One of the new money that has digital characteristics is cryptocurrency. Bitcoin is one of the few cryptocurrencies that uses peer-to-peer cryptographic technology and is decentralized or without a central authority, and then all of its mechanisms go through the blockchain system. Bitcoin is used based on freedom and idealism that the government that controls it only works for the sake of corrupt subjective benefits and favours mere tycoons (Darmawan, 2018). The emergence of bitcoin as a cryptocurrency has become world-famous and has a high selling value also in Indonesia, leaving the pros and cons related to its use as a means of payment lately. The experts agree that bitcoin still does not meet the elements and criteria as a legal currency used in Indonesia (Diasti, 2018). As stipulated in Law number 7 of 2011 concerning Currency Article 1 paragraph 1 which states that:

"Currency is money issued by the Unitary State of the Republic of Indonesia, hereinafter referred to as Rupiah."

On the other hand, in February 2019, the Commodity Futures Trading Regulatory Agency (BAPPEBTI) has issued official rules regarding cryptocurrency as a commodity in commodity futures trading (PBK) in Indonesia. This rule is considered to have provided a breath of fresh air and an opportunity for the first step to the digital financial market. The Government of Indonesia through BAPPEBTI and the Minister of Trade Regulation (PERMENDAG) has officially set the crypto asset to be subject to Futures, Sharia Derivative Contracts and other Derivative Contracts traded on the Commodity Futures Exchange (CNBC, 2018).

The country of Indonesia is a country with a majority Muslim population. In daily life, a Muslim must not be separated from the guidelines and norms of the prevailing Islamic religion. A devout Muslim must do every economic activity by existing sharia law and must avoid the elements that are prohibited/forbidden by Allah SWT and His Messenger. The National Sharia Council-Indonesian Ulema Council (DSN-MUI) is an institution that handles financial activity issues and responds to issues related to the economic problems of Muslim communities in Indonesia.

Cryptocurrency, bitcoin and commodity futures trading are new things that are popular in economic activities in Indonesia today. This research is present and invites the reader to examine more closely related cryptocurrency (cryptocurrency) in this case bitcoin in commodity futures trading taken from the perspective of Islamic law. The researcher hopes that this research can contribute in determining the attitude of the

reader, DSN-MUI Institute (fatwa decision) and related parties to make it a basic reference for Islamic business ethics in daily life and to make a basis for consideration to bring benefits and problems to current economic practices.

LITERATURE REVIEW

This study refers to several previous studies, including:

Khoirul Anwar (2016) Masters in Islamic Law from Sunan Kalijaga University in Yogyakarta, researching and analyzing the currency of bitcoin as a transaction tool in 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 is speculation and gambling in it, namely in the practice of buying and selling bitcoin.

Muhammad Hafidz (2016) A Lecturer at STAIN Pekalongan examines Commodity Futures Trading: Fiqh and Economic Aspects. The results of this study are Commodity Futures Trading (PBK) which has hedged 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.

In general, the difference between this thesis and previous studies is that this research focuses on the position of cryptocurrency as a commodity in futures trading in Indonesia. Previous research has focused more on both positive law and the bitcoin Islamic normative approach as a currency and payment tool in general. There exists an absence of an Islamic perspective on the position of bitcoin as a trade commodity that has been legalized in Indonesia. Researchers draw the common thread using Islamic sharia glasses through Saddu Adz-dzarai 'approach and the theory of' Legitimate and Legal Business Transactions "taken from the view of world scholars and credible Islamic authorities. This is what researchers use to conclude the final results of the research.

CRYPTOCURRENCY(VIRTUAL MONEY)

From ancient times until now, money has undergone many changes in the form of dates, salt, seashells, gold coins, copper, silver, precious stones and now paper and metal are used as government efforts to reduce production costs even though the nominal value written is much more compared to its intrinsic value. The development of technology was welcomed by the evolution of money which was no longer in paper form, but in an invisible digital form, only in the form of numbers written in a computing system. Satoshi Nakamoto is an anonymous designation from a person or group of people who developed cryptocurrency in 2008. Then bitcoin was officially released and began operating in the community. Bitcoin works uniquely peer to peer through a sophisticated cryptographic network in a decentralized blockchain without being bound by any authority (Kelly, 2018).

The increasing prestige of bitcoin in the eyes of the world has an impact on the high supply and the birth of other currencies. There are dozens of cryptocurrencies

currently circulating in the community, such as Ripple, Libre, NameCoin, LiteCoin, Ethereum, Cardano and others. Even the Coinye currency is taken from one of the names of the famous singer Kanye West (Khameswara, 2014).

All		Coins	Tokens	USD	Next 100	View All	
#	Name	Market Cap	Price	Volume (24h)	Circulating Supply	Change (24h)	Price Graph (7d)
1	Bitcoin	\$137,587,032,436	\$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%	

Picture 1. Cryptocurrencies (Nubika, 2018)

HISTORY OF BITCOIN

Bitcoin is virtual money and was included as the initial electronic money made by Satoshi Nakamoto in 2009. The name Satoshi Nakamoto is associated with open source software that is designed and also uses peer to peer (P2P) networks that connect everything. Long before the appearance of bitcoin, e-payment was created to facilitate online transactions. The transaction is done by transferring money to the facility provider, then an amount of money equivalent to the amount of the transfer will appear in the 'virtual wallet' and can be used for transactions (Khameswara, 2014).

In 2009, Satoshi Nakamoto released bitcoin software with certain infrastructure, anyone can 'mine' bitcoin. The concept of 'mining' for money itself immediately absorbs the attention, of cyber citizens to meet their needs. Bitcoin as cryptocurrency has several excellent features, such as 1) Instant transfers from peer to peer, 2) Transfers anywhere, without fees, 3) Transactions are irreversible, meaning once transferred cannot be cancelled, 4) Bitcoin transactions are anonymous, 5) Bitcoin is not controlled by any institution or government (Kelly, 2018).

At present, according to Coin ATM Radar, 1,960 bitcoin ATMs have been recorded in the United States. Canada is the second-largest country that has a bitcoin ATM, followed by the Czech Republic which has 46 ATMs spread across the country. Noted there are already more than 3,150 bitcoin ATMs spread across 70 countries in the world, one of them in Indonesia. This bitcoin ATM is available in 3 places, including:

1. Bitcoin ATM in Kuta, Bali. (Information Center, Legian Kaja Street)

2. Bitcoin ATMs in Ubud, Bali. (Hubud, Jl. Monkey Forest, Gianyar)
3. Bitcoin ATMs in Jakarta. (LTC Glodok, Ground Floor, Block B2 No. 2)

MONEY CONCEPTS IN ISLAMIC ECONOMY

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, as in the Hadith narrated by Ata bin Yasar, Abu Saïd and Abu Hurairah and Abu Saïd Al-Khudri explained that it turned out that the Prophet Muhammad did not approve transactions with the barter system. He seems to forbid such an exchange because there is an element of usury in it.

Explained in Al-Qur'an Surah Al-Kahfi (18) verse 19 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.

Roman and Persian civilizations were two dynasties or superpowers that had a profound impact on civilization in Islamic history, especially in terms of the economy and the use of money in it. The Qur'an and the Hadith explain textually that the dinar and dirham are the currencies used as a medium of exchange in the time of the Prophet, a measure of the value of stored wealth, not as a commodity. Dinars are made of gold, while dirhams are made of silver. But in the Qur'an and the Hadith, it is not explicitly ordered to apply the dinar and dirham as currency.

It is written in the word of Allah SWT in the QS. At-Taubah verse: 34:

"O you who have believed, indeed many of the scholars and the monks devour the wealth of people unjustly and avert [them] from the way of Allah . And those who hoard gold and silver and spend it not in the way of Allah - give them tidings of a painful punishment".

The verse describes people in those days who liked to hoard gold and silver without being offered or used in the way of Allah SWT. It can be concluded that gold and silver are assets that can be stored and used as a symbol of one's wealth. So gold and silver have functioned as medium of exchange, store of value, unit of account and standard payment on future (Karim, 2004).

In a hadith of the Prophet's Muslim history narrated by Abu Sa'id Al Khudri it can be seen that in Islam, dinar and dirham coins (gold and silver) are not the only means of exchange used in ancient times. Dates, wheat and salt also functioned as money, which is

why there are no special privileges that require only dinars and dirhams to be used as currency. The reason the Prophet (SAS) gave freedom to choose this medium of exchange was because money was part of the economic activities agreed upon by a country and generally regulated with the same provisions.

COMMODITY FUTURE TRADE (CFT)

Human economic activities always develop along with the times, from simple market to market, where sellers and buyers are directly met to a complex mechanism. Such evolution has taken place in Islamic banking, Islamic capital markets, Islamic insurance and Islamic stock exchanges (Yusuf, 2008). Meanwhile, since the 2000s Indonesia has also run a commodity futures exchange called the Jakarta Futures Exchange or the Jakarta Future Exchange (JFX) which began officially running on December 15, 2000.

Definition of Futures Exchange is a business entity that organizes and provides facilities and or systems for the sale and purchase of commodities based on futures contracts, sharia derivative contracts and or other derivative contracts. The meeting place between supply and demand for commodities and their derivatives is called commodity exchanges.

Commodities can be interpreted in several definitions, including first, an object or tangible object that can be traded relatively easily, can be delivered in form, can be exchanged for other products of the same type and can be stored for a certain period, which can usually be sold or purchased by investors through the futures exchange. Second, in general, a commodity is a product that can be traded, including foreign currency (forex), indexes and financial instruments.

Commodities have a price characteristic determined by market demand and supply, not based on the count of the dealer or seller. Then the price is concluded based on the calculation of the price of each (purchasing power) commodity. Examples of commodity subjects are agricultural products, such as cocoa, sugar, rice, crude palm oil, CPO, corn and others. In the case of agricultural products or mining, coal, minerals and gold are traded as commodities (Nurlaela, 2014).

TYPES OF COMMODITY FUTURES TRADE

Commodity Futures Trade has several types. Commodity futures markets are divided into two types namely Over the Counter (OTC) and futures exchanges. OTC is a bilateral contract futures market. 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).

Commodity Market is divided into several types of contracts, namely Forward and Swap Contracts. Commodity Exchange (futures 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.

RESEARCH METHODS

This research is library research (library research) and has a descriptive-analytical nature, namely research with the presentation of facts and then analyze them systematically until easily concluded and understood. The method used is a normative juridical approach, namely the analysis of the implementation of transactions using bitcoin in online trading and trading of commodity futures based on the provisions of Islamic law taken from various opinions of scholars, experts and fatwas of Islamic institutions and organizations in various countries.

Data analysis techniques used by researchers are inductive and deductive. The inductive method is used to analyze the concept and context of money in general and according to the Islamic view as a medium of exchange, then deepen the aspects of implementing online trading using bitcoin payment instruments. While deductive analysis is used to analyze the law of bitcoin in its position as a commodity in futures trading in Indonesia. Both are presented then analyzed using the perspective of normative Islamic law.

The author uses grand theory techniques, middle-range theory and applied theory in concluding (ITB, 2018).

The grand theory used to complete this research is the '*Al-Mashlahah al-Mu'tabarah*' theory of the ulama agreement. The middle theory used to bridge the grand theory of this research is the theory of 'legitimate and vanity business transactions' from the ulama agreement (jumhur) developed by Zaidan in *Al-Wajiz fi-l Usul Fiqh's* book (Zaidan, 2006). Applied Theory used is normative Islamic law using the theory in *usul ul fiqh: Saddu ad-Dzari'ah*, which stipulates a prohibition on certain acts which are basically allowed to prevent other acts that are prohibited. It can be said in *Saddu adz-Dzari'ah*, the stipulation of the law always emphasizes the primacy of benefits and avoids disputes. This is to anticipate the attitude of life that is not commendable in the community (Manzhur, 1999).

DISCUSSION

The Exchange has a global vision to improve the welfare of the nation and achieve a good level of economic growth. Its mission is to realize the determination of appropriate prices and can be a reference for world commodity prices. With an increase in demand for commodities, this will have a significant impact on rising prices of commodity products or goods themselves in line with the inflation rate. Through the Futures Exchange, market participants can protect commodity prices against inflation (BKDI, 2014).

ANALYSIS OF COMMODITY FUTURES TRADING CONTRACT (PBK) USING BITCOIN IN INDONESIA

Referring to the explanation about sharia commodities above, the researcher can conclude that bitcoin in commodity futures trading in Indonesia can be implemented using *taukil*, *murabahah* and *tawarruq* contracts. The underlying proposition is as follows:

وَيَجُوزُ التَّوَكُّلُ بِجُعْلِ وَعَبْرِ جُعْلٍ، فَإِنَّ النَّبِيَّ صَلَّى اللَّهُ عَلَيْهِ وَآلِهِ وَسَلَّمَ
وَكَّلَ أُنَيْسًا فِي إِقَامَةِ الْحَدِّ، وَعَرُورَةَ فِي شِرَاءِ شَاةٍ، وَأَبَا رَافِعٍ فِي قَبُولِ
النِّكَاحِ بِغَيْرِ جُعْلٍ؛ وَكَانَ يَبْعَثُ عُمَّالَهُ لِقَبْضِ الصَّدَقَاتِ وَيَجْعَلُ لَهُمْ عَمَلَةً
(المغني لابن قدامة، [القاهرة: دار الحديث، ٢٠٠٤]، ج. ٦، ص ٤٦٨)

"Permission for wakalah is permitted, either in return or without compensation. Because the Prophet (PBUH) once represented to Unais to apply punishment and to Urwah to buy a goat and to Abu Rafi 'to perform a marriage qabul (all) without giving a reward. The Prophet also sent his employees to collect alms (zakat) and he gave them rewards." (Ibn Qudamah, 2004).

Al-Ma'ayir As-Syar'iyah, (2010):

التَّوَرُّقُ لَيْسَ صِبْغَةً مِنْ صِبْغِ الْأِسْتِمَارِ أَوْ التَّمْوِيلِ، وَإِنَّمَا أُجِيزَ لِلْحَاجَةِ
بِشُرُوطِهَا، وَلِذَا عَلَى الْمَوْسَّسَاتِ أَنْ لَا تُقَدِّمَ عَلَى التَّوَرُّقِ لِتَوْفِيرِ السُّيُورَةِ
لِعَمَلِيَّتِهَا بَدَلًا مِنْ بَذْلِ الْجُهْدِ لِتَلْقَى الْأَمْوَالَ عَنْ طُرُقِ الْمَضَارَبَةِ أَوْ الْوَكَالَةِ
بِالْإِسْتِمَارِ أَوْ الصَّنَادِيقِ الْأِسْتِمَارِيَّةِ وَغَيْرِهَا. وَيَتَّبِعِي حَسْرَةَ اسْتِخْدَامَاتِهَا لَمْ
لِتَفَادِي الْعَجْزِ أَوْ التَّقْصِ فِي السُّيُورَةِ لِتَلْبِيَةِ الْحَاجَةِ وَتَجَنُّبِ خَسَارَةِ عُمَّالِهَا
وَتَعَثُّرِ عَمَلِيَّتِهَا. (المعايير الشرعية، ٢٠١٠: ٤١٣)

Generally speaking, Tawarruq is not one of the investment or financing schemes. Tawarruq is allowed because of the needs of the conditions that are met. Tawarruq can only be used to cover liquidity shortages, avoid and minimize losses.

The opinion of Kuwait Islamic Jurisprudence Encyclopedia Drafting Team:

الْوَكَالَةُ بِأَجْرٍ (بِجُعْلِ) حُكْمُهَا حُكْمُ الْإِجَارَاتِ، فَيَسْتَحِقُّ الْوَكِيلُ الْجُعْلَ
بِتَسْلِيمِ مَا وَكَّلَ فِيهِ إِلَى الْمُوَكَّلِ - إِنْ كَانَ مِمَّا يُمْكِنُ تَسْلِيمُهُ فَلَهُ الْأَجْرُ.
(الموسوعة الفقهية لجماعة من العلماء، الكويت: وزارة الأوقاف الكويتية،
٣٢٤/١١)

"Wakalah with ujroh (rewards) the law is the same as the law of ijarah. The representative has the right to get wages by giving up something that is represented to the representative if the object is transferable, then he has the right to receive wages. "

Bitcoin in commodity futures trading in Indonesia can be carried out using murabaha contracts when consumers buy bitcoin from trading participants. The bargaining agreement is used by trading participants to trade bitcoin with asset traders. Taukil contract is a contract that applies when a trading participant represents a consumer to buy bitcoin to an asset trader.

ANALYSIS OF THE LEGAL ASPECTS OF BITCOIN ACCORDING TO THE VIEWS OF SCHOLARS AND EXPERTS

Permission (halal) buying and selling online according to the agreement of scholars, can affect economic progress along with technological developments. The use of digital (fiat rupiah) money can be reflected this time for crypto currencies and fulfilment of criteria as a legal currency and / or payment instrument. The most famous type of cryptocurrency today is bitcoin. In general, Islamic scholars and experts have two different opinions. First, some scholars argue that cryptocurrency is haram, meaning that it is forbidden by sharia. Other groups are of the view that cryptocurrency is in principle halal, meaning that it is permitted.

1. Egyptian Grand Mufti Shaykh Shawki Allam (2018) has stated that bitcoin and cryptocurrency are haram. The Shaykh cites these reasons in his statement, including Bitcoin is easy to use for illegal activities; Bitcoin is intangible and allows for money laundering and fraud (alaraby.co.uk).
2. The Turkish government's religious authority also states that bitcoin is prohibited because it is open to excessive speculation (*gharar* and *maysir*) (Abu Bakr, 2018).
3. The Fatwa Center of Palestine also issued unfavourable fatwas related to bitcoin and cryptocurrency, because the issuer of bitcoin is unknown and includes gambling.
4. Shaykh Haitam from England. British-based Muslim scholar Shaykh Haitam wrote a paper in Arabic, he stated that bitcoin and other cryptocurrency are prohibited and not compatible with sharia.
5. Abdullah bin Muhammad bin Abdul Wahab Al'Aqil (2017). A Doctor of the Shariah Faculty at the Islamic University of Madinah, Saudi Arabia stated the ban on bitcoin because it contained a large element of usury.
6. Fatwa of the Government of Saudi Arabia. Saudi Arabian cleric Sheikh Assim Al-Hakeem gave a fatwa that the digital currency 'bitcoin' is forbidden in Islamic law. He stated that bitcoin is an open gateway for money laundering, buying and selling drugs and smuggling (bitcointalk, 2018).
7. The Indian Muslim Personal Law Council (AIMPLB) refers to bitcoin as un-Islamic. Therefore, the Muslim Institution called on the Muslim community to avoid using the cryptocurrency.

Experts and some other scholars are of the view that bitcoin is permitted 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 an argument is found that is contrary to Islamic principles. Some other famous quotes in Islamic economic ethics, namely a brief phrase from Ibn Taymiyyah:

"الأصلُ في العُقودِ رِضًا العَاقِدَيْنِ."

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

In the book i'laamul Muwaqqiin, Ibn al-Qayyim said:

"فَإِنَّ الْفَتَوَى تَتَغَيَّرُ بِتَغْيِيرِ الزَّمَانِ وَالْمَكَانِ وَالْعَوَائِدِ وَالْأَحْوَالِ،
وَذَلِكَ كُلُّهُ مِنَ اللَّهِ، وَبِاللَّهِ التَّوْفِيقُ."

"Fatwas can change with changing times, places, customs and conditions. And all that comes from God. Wabillahittaufiq."

Muhammad Mushthafa Az-Zuhaily in the book *Al Qawaid al Fikihiyyah* explains the rules as follows:

"قَدْ يَكُونُ بَعْضُ الْأَحْكَامِ الشَّرْعِيَّةِ يَبْنِي عَلَى عُرْفِ النَّاسِ
وَعَادَاتِهِمْ، فَإِذَا اخْتَلَفَتِ الْعَادَةُ عَنْ زَمَانٍ قَبْلِهِ، تَتَغَيَّرُ كَيْفِيَّةُ
الْعَمَلِ بِمُقْتَضَى الْحُكْمِ، وَأَمَّا مَا أَصْلُهُ عَلَى غَيْرِ ذَلِكَ فَلَا تَتَغَيَّرُ."

"Sometimes some 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 will not change."

Based on the above argument, all digital/virtual or cryptocurrency that meets the requirements can be accepted as money. The South Africa Islamic Seminar Fatwa Center, Darul Uloom Zakariyya, has taken the position that bitcoin meets the requirements as money, therefore bitcoin 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).

Bitcoin transactions have also been opened in several Muslim countries. The first country in the Middle East to open was the United Arab Emirates (UAE) with BitOasis: a new cryptocurrency, which was converted to gold. Islamic banking requires banking activities to always follow Islamic law. The Shariah Review Bureau (SRB), an Islamic advisory firm licensed by Bahrain's central bank, provides certification for Stellar: a provider of blockchain platforms from California, USA. This halal certification is not only for the Stellar blockchain system but also for their cryptocurrency, namely Lumens (XLM), the Lumens capitalization is valued at 5 billion USD or around 75 trillion and can be estimated even higher (Source: CNBCIndonesia).

In Malaysia, HelloGold launched GOLDX as a cryptocurrency supported based on the gold price and was approved by the Islamic Ulema Authorities at Amanie Advisors based in Kuala Lumpur. This Islamic coin transaction occurs within a specified period

and makes it less volatile (price fluctuations are not too extreme) and can overcome the problem of price ambiguity. (Source: Aljazeera)

The Indonesian government has formalized the use of cryptocurrency as a commodity in Futures Trading, but to date has not yet issued official regulations/provisions concerning the prohibition or sanctions for people who still conduct online trading transactions using bitcoin.

Referring to the exposure of the view to the prohibition of bitcoin above, the researcher can conclude that most scholars (Jumhur) and State authorities agree that it will not be allowed (haram) bitcoin in its function as a substitute tool for legal money. They have the same view that bitcoin is too much speculation, intangible, lacks official government regulation (legal umbrella) and can be easily used for illegal activities.

Relying on the reasons that countries allow and Islamic authorities which justify crypto money, apart from bitcoin which has several advantages and positive sides such as controlling inflation, security, transaction efficiency and decentralization. Researchers can conclude that the cryptocurrency allowed is the currency issued or authorized by their respective countries, not bitcoin. Due to the protection of pricing and provisions that are based on the intrinsic value of gold or from the country's currency.

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 author 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 of the people as a whole.

تَصْرُفُ الْإِمَامِ عَلَى الرَّعِيَّةِ مُنَوَّطٌ بِالْمَصْلَحَةِ (السيوطي، الأشباه

والنظائر، القاهرة: دار السلام، ٢٠٠٤، ط ٢، تحقيق وتعليق: محمد

محمد تامر وحافظ عاشور حافظ، ج ١، ص ٢٧٦)

"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:

دَرْءُ الْمَفَاسِدِ مُقَدَّمٌ عَلَى جَلْبِ الْمَصَالِحِ

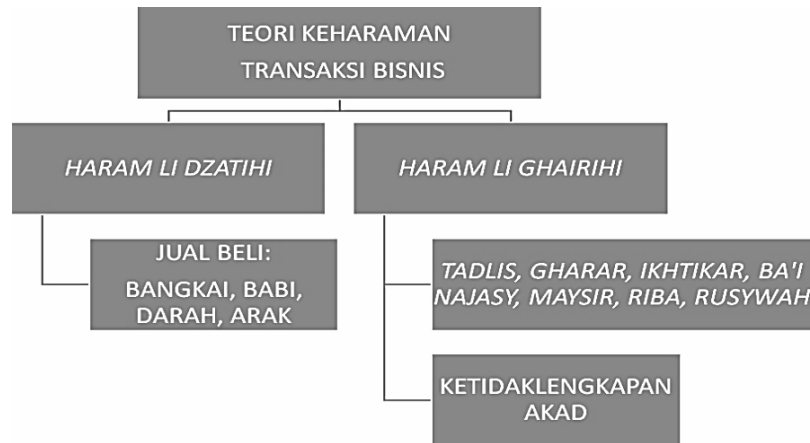
The above principle means that it is better to avoid mafsadah (ugliness/damage) rather than taking advantage. This implies that researchers in commodity trading in Indonesia bitcoin are still unable to avoid some traits that are prohibited in buying and selling according to Islamic law, one of which is speculation.

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 is deliberately removed so as not to be tracked by local authorities. The majority of scholars agree that it will be forbidden if proven to lead to immoral acts. There is a (potential) 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.

The *maysir* / gambling level of bitcoin commodity trading is fairly high, considering that shortly 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. On the contrary, the prediction of bitcoin can also be a 'bubble' which is worthless while other cryptocurrencies, such as ethereum, altcoins, ripple, digicoins, libre are more and more hunted.

The phenomenon of soaring bitcoin prices, is caused by a large market demand and the limited number of offers. Bad possibilities could occur, such as the rise of expensive bacan stone rings during booms. Love waves (anthurium plants), louhan fish and lovebird birds were also expensive at that time.

All transactions that contain elements of gambling (*maysir*), obscurity (*gharar*), fraud (*tadlis*) and *rasuah* are vanity forbidden and *haram lighairihi* the law. This virtual currency is considered to have elements of *maysir* in it, because the bitcoin business is like betting. Thus, it can be concluded that the use of bitcoin virtual money as a commodity in sharia derivative contracts is *haram lighairihi* or *haram* because there are other factors outside the substance.



Picture2. Scheme Business Transaction *Haram Lidzatih* and *Haram Lighairihi*

CONCLUSIONS

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

Bitcoin is a virtual currency that can be used for online transactions both buying and selling and trading commodities, but bitcoin is not a legal and official currency for buying and selling in Indonesia.

Ulema agrees that bitcoin is not permitted in its function as a substitute for money, because there are too many disadvantages compared to its *mashlahah*, although bitcoin has several positive aspects such as controlling inflation, security, transaction efficiency and decentralization. Cryptocurrencies allowed are currencies issued or authorized by their respective countries, not bitcoin. Example: Lumens (Bahrain / Middle East), HelloGold / GoldX (Malaysia) and BitOasis / OneGram / ZayedCoin (UAE). Due to the protection of pricing and provisions based on the intrinsic value of gold or the value of the country's currency.

Bitcoin in its position as a commodity in PBK still contains elements of *maysir* because in it there is high speculation and is chancy. That is heavier than foreign exchange trading. Thus, the use of bitcoin as an instrument in sharia derivative contracts is *lighairihi*, or illegitimate due to external factors (speculation / *maysir*, usury, vulnerable to illegal practices: money laundering).

SUGGESTIONS

After discussing the problem and concluding, the writer will give the following advice:

The author hopes that DSN-MUI as the official authority in determining legal fatwa is an issue for the majority of Muslims in Indonesia to issue fatwa related to whether there is an element of usury to bitcoin or whether it is used in online trading transactions and commodity futures trade.

The government should issue official and specific virtual currencies for Indonesia / ASEAN, in addition to bitcoin which has a less volatile nature and guarantees a good price determination in accordance with the current rupiah or gold prices.

This qualitative writing still does not explain the concepts and mechanisms of mining in detail and has not revealed the blockchain system as a whole. The analysis of this research can be a basic reference for further research in order to examine quantitatively the effect of cryptocurrency on a macro scale, factors causing price fluctuations and so forth.

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