

ISLAMIC LAW ON BALANCE TOP-UPS IN DIGITAL WALLETS

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ABSTRACT

Introduction/Main Objectives: This study aims to explore Islamic law surrounding balance top-ups in digital wallets that are commonly used today by comparing it with the formal legal regulations of the Central Bank of Indonesia, which explain the details about the existence of deposit funds and digital wallet companies. **Background Problems:** Despite the widespread use of digital wallets, research on Islamic law related to them still needs to be more extensive. Muslims need to know the Islamic law on this subject in order to use and store funds in digital wallets without hesitation. **Novelty:** This study reviewed four contracts in Islamic law that had never been discussed before, namely wadī‘a (money deposit), qarḍ (loan), ’ijāra (service payment), or ṣarf (money exchange). **Research Methods:** The research methods used in this study involve literature review by going through various classical and current jurisprudence books. **Finding/Results:** This research indicates that topping up funds in digital wallets is closer to the sarf contract than the other three contracts, as per the Central Bank of Indonesia's regulations. **Conclusion:** When users add money to their digital wallets, it is converted into electronic data, known as e-money. The research expected in the future is the discussion of fiqh law related to transactions made through digital wallets, as well as being able to review fiqh law based on the fatwas of scholars in the National Sharia Board whose fatwas are more recent.

Keywords: digital wallet, e-wallet, contract review, Islamic law, fiqh law, financial transaction, balance top-up

1. Introduction

Digital wallets, also known as e-wallets or digital payments, are electronic applications or platforms that serve as a modern substitute for traditional wallets. These wallets allow users to store, manage, and perform various financial transactions with ease using their smartphones.

Since the spread of covid-19 due to the demand to maintain social distancing and prevent the spread of the virus, the use of digital wallets has begun to grow (Aji et al., 2020; Daragmeh et al., 2021; Ojo et al., 2022). Digital wallets are electronic applications used to transact without involving physical money and without using cards, only with devices to make payments and top up balances (Daragmeh et al., 2021; Sasongko et al., 2022; Yang et al., 2021). In Thailand, a well-known digital wallet is Worldcoin. Women and young people who use digital wallets more often (Kraiwanit et al., 2023). Zaid Kilani et al. (2023) discuss the use of digital wallets in Jordan. The Central Bank of Jordan recognizes several e-wallets, including Aya Wallet, MEPS, EMP, and eFAWATEERcom. According to Bhatia-Kalluri and Caraway (2023), Paytm, a

popular electronic wallet service in India, offers various payment methods, including a unique QR code-based payment solution.

Based on the Central Bank of Indonesia Regulation Number 18/40/PBI/2016 concerning the Implementation of Payment Transaction Processing, a digital wallet is a payment system service supervised directly and indirectly by the Central Bank of Indonesia where among the prohibitions for the operator is owning and/or managing the value of money used outside the scope of the payment system service provider (Indonesia, 2016).

This digital wallet can hold funds and make payments practically, conveniently, with efficient transaction times, and faster and easier payments. The most widely used types of digital wallets in Indonesia are Ovo, Gopay, Linkaja, and Mandiri e-money. The use of digital wallets also varies, some are used for online shopping, paying for transportation services, paying for food delivery services, and various daily needs (Widayat et al., 2020). Ovo and Shopeepay are digital wallets that are often used for online shopping purposes (Budiarani et al., 2021). The use of digital wallets is common in online transactions. These platforms offer discounts and rewards to incentivize user loyalty (Yudha Kurniawan et al., 2022; Bagla and Sancheti, 2018).

Critical studies related to digital wallets are around discussing four things, namely: (1) factors that affect the use of digital wallets as researched by Aji et al. (2020); Ariffin et al. (2021); Daragmeh et al. (2021); Yang et al. (2021), (2) factors that affect user loyalty and digital wallets, including perceived value, perceived security, trust, sales promotion as this has been examined by Kurnia et al. (2023); Yeoh (2022), (3) the impact of the influence of digital wallet use on consumptive behavior as examined by Almukhlisah et al. (2023), (4) measuring customer satisfaction with the quality of digital wallet services includes the Kano Model, as explained by Budiarani et al. (2021).

Based on the above, this research aims to address the gaps in understanding Islamic law's view regarding contracts in digital wallets in Indonesia. Muslims pay attention to matters of Islamic law to avoid engaging in forbidden activities. However, the lack of clarity regarding this legal issue affects consumers' use of discounts and cashback offered when shopping through digital wallets. To address this gap, the study analyzed various contracts, i.e. wadī'a (money deposit), qarḍ (loan), 'ijāra (service payment), or ṣarf (money exchange), related to money stored in digital wallets. The research has significant implications for economic progress and society's consumerist culture. It will conclude the Islamic legal perspective on using or rejecting digital wallets, leaving no doubts.

2. Method

This research is a literature review that aims to understand Islamic law regarding digital wallets. Four types of contracts – wadī'a (deposit of money), qarḍ (loan), 'ijāra (payment for services), and ṣarf (exchange of money) – will be examined in detail using classical and contemporary fiqh books. The references will help explain the terms of each contract, which will then be compared with formal regulations from the Central Bank of Indonesia regarding digital wallets. Explanations of fiqh law and formal rules can determine the appropriate contract from the

abovementioned four contracts. In addition, this research will help to understand Islamic law regarding the use of discounts and cashback obtained when making payments with electronic money in digital wallets.

3. Result and Discussion

E-wallets, also known as electronic wallets, are digital payment methods that allow users to store and transact money electronically using smartphone applications. The main advantage of using e-wallets is that they enable people to make purchases easily and quickly without carrying cash or credit cards. This means that users do not have to worry about losing their money or credit cards, and some e-wallet applications also offer additional security features such as fingerprint or PIN verification to protect user accounts. Furthermore, many e-wallet apps offer promotions and discounts to their users, which can help them save money or receive benefits such as cashback or reward points. Going cashless also enables users to track and manage their expenses better, as e-wallet applications often provide features for viewing transaction history and categorizing expenses. This can help users manage their finances better and plan more effectively (Daragmeh et al., 2021; Widayat et al., 2020). During the COVID-19 pandemic, e-wallets have become a safer alternative for paying without physically interacting with cash or other people. This helps prevent the virus's spread through physical contact with banknotes or coins (Yunoh et al., 2023). It is important to note that the benefits of going cashless may vary depending on the country, the e-wallet platform used, and individual preferences (Chelvarayan et al., 2022).

According to Ariffin et al. (2021), one of the advantages of using e-wallets is the incentives they offer, such as discounts and cashback. Discounts can provide financial benefits to users by offering lower prices or reduced costs, while cashback incentivizes users to continue using e-wallets and provides additional financial benefits.

According to Yang et al. (2021), in Indonesia, three e-wallets have proven to be stable and popular: Go-Pay, OVO, and DANA. OVO has established partnerships with Grab, the largest ride-hailing service in Southeast Asia, and Tokopedia, the leading player in the Indonesian e-commerce market. This partnership has helped OVO to grow steadily. Meanwhile, DANA, introduced in 2018, has succeeded in increasing its popularity and replaced Linkaja in third place in the second quarter of 2019. Go-Pay, OVO, and DANA have successfully integrated payment services from state-owned banks, contributing to their stability in the Indonesian e-wallet market.

Here are four contracts that can be used as top-up agreements on digital wallets: qard, wadi'a, ijarah madhfu'ah muqaddaman, and sarf.

Qard

Qard comes from the root word which means to cut, eat, or bite. The word al-qard means loan in Arabic (Munawwir, 1997, p. 1108). This term is used because the creditor, known as the

muqridh, would cut pieces of the property to be given to the debtor, known as the muqtaridh. This is according to sources such as Al-Anshari (2000, p. 2/140) and Al-Khin et al. (2009, p. 3/89). When it comes to sharia, there are different interpretations of qard among scholars.

Muhammad Najib Al-Muthi'i explains that a qard contract is when someone agrees to give something to another person, with the understanding that it will be replaced later. However, if the person hands over the item without mentioning a replacement, the contract becomes a gift (Al-Muthi'i, 2006, pp. 12/206-207).

Zakaria ibn Muhammad Al-Anshari (1420-1520 CE) once said that "iqrad" or "qard" refers to having something that will be replaced by its successor later on. This understanding is also shared by Al-Imam Zainuddin Ahmad bin Muhammad Al-Malibari (1531-1618 CE) in his book, Fath Al-Mu'in (Al-Malibari, 2022, p. 384).

In his book I'anatu Ath-Tholibin, Sayyid Abu Bakr Muhammad Syatho Ad-Dimyathi (may Allah have mercy on him) stated that qard must be returned with an equivalent value (Ad-Dimyathi, 1997, p. 3/61).

In Al-Ashbah wa An-Nazhair, Imam Jalaluddin 'Abdurrahman As-Suyuthi (may Allah have mercy on him) (1445-1505 CE) said that in a qard contract, it is agreed that the lender will receive their original property and its substitute in return (As-Suyuthi, p. 1/101).

According to Muhammad Az-Zuhri Al-Ghamrawi (may Allah have mercy on him) in As-Siraj Al-Wahaj, al-iqradh means giving and taking something and its substitute in return (Al-Ghamrawi, p. 1/210).

In Al-Fiqh Al-Manhaji, it is mentioned that the meaning of al-qard is that a property is given to another person, who is required to return it along with a substitute, without any addition (Al-Khin et al., 2009, p. 3/89). In the Encyclopedia of Fiqh, Al-Mawsu'ah Al-Fiqhiyyah explains that qard refers to giving property to someone in need to do good, with the understanding that both the borrower and their successor will return the property (Al-Mawsu'ah Al-Fiqhiyyah, 2012, p. 33/111). The inhabitants of Hejaz also use the term salaf to refer to qard.

The concept of qard is permissible in Islam, which allows a person to ask for a loan when needed. Those who are asked for loans are recommended to help the person.

The following verses in the Qur'an Al-Karim mention qard.

مَنْ ذَا الَّذِي يُقْرِضُ اللَّهَ قَرْضًا حَسَنًا فَيُضْعِفَهُ لَهُ أَضْعَافًا كَثِيرَةً

“Who will lend to Allah a good loan which Allah will multiply many times over?” (Al-Baqarah: 245)

مَنْ ذَا الَّذِي يُقْرِضُ اللَّهَ قَرْضًا حَسَنًا فَيُضْعِفَهُ لَهُ وَلَهُ أَجْرٌ كَرِيمٌ

“Who is it that will lend to Allah a good loan which Allah will multiply ‘many times over’ for them, and they will have an honourable reward?” (Al-Hadid: 11)

إِنَّ الْمُصَدِّقِينَ وَالْمُصَدِّقَاتِ وَأَقْرَضُوا اللَّهَ قَرْضًا حَسَنًا يُضْعِفُ لَهُمْ وَلَهُمْ أَجْرٌ كَرِيمٌ

“Indeed, those men and women who give in charity and lend to Allah a good loan will have it multiplied for them, and they will have an honourable reward.” (Al-Hadid: 18)

إِن تُقْرَضُوا اللَّهَ قَرْضًا حَسَنًا يُضْعَفْهُ لَكُمْ وَيَغْفِرْ لَكُمْ وَاللَّهُ شَكُورٌ حَلِيمٌ

“If you lend to Allah a good loan, He will multiply it for you and forgive you. For Allah is Most Appreciative, Most Forbearing.” (At-Taghabun: 17)

وَأَقْرَضُوا اللَّهَ قَرْضًا حَسَنًا

“and lend to Allah a good loan.” (Al-Muzammil: 20)

The hadith that mentions the qard is a hadith from Ibn Mas'ud radhiyallahu 'anhu in which the Prophet sallallahu 'alaihi wa sallam said,

مَا مِنْ مُسْلِمٍ يُقْرِضُ مُسْلِمًا قَرْضًا مَرَّتَيْنِ إِلَّا كَانَ كَصَدَقَتَيْهَا مَرَّةً

“When a Muslim gives a loan twice to another it is counted as a onetime charity.” (Reported by Ibn Majah, no. 2430. Al-Hafizh Abu Thahir says that this hadith is da'if).

The above hadith is corroborated by the following hadith from Sulayman ibn Buraidah,

بِكُلِّ يَوْمٍ صَدَقَةٌ قَبْلَ أَنْ يَجَلَ الدَّيْنُ، فَإِذَا حَلَّ الدَّيْنُ فَأَنْظَرَهُ فَلَهُ بِكُلِّ يَوْمٍ مِثْلَيْهِ صَدَقَةٌ

"He receives rewards in the form of alms every day before his debt is due. Even if the debt becomes due, he still allows a grace period. In such a case, he receives alms worth twice the amount of his receivables every day." (Reported by Ahmad and has a valid sanad according to Muslim requirements. The narrators are considered reliable, including Shaykhain narrators and Sulayman ibn Buraidah who is a Muslim narrator).

Imam Abu Ishaq ash-Shirazi (may Allah have mercy on him) (1002-1083 CE) stated,

وَيَجِبُ عَلَى الْمُسْتَقْرِضِ رَدُّ الْمِثْلِ فِيمَا لَهُ مِثْلٌ، لِأَنَّ مُقْتَضَى الْقَرْضِ رَدُّ الْمِثْلِ

"Those who borrow must return the debt as originally received if they have the equivalent. The repayment must be in the same form as the initial loan." (Asy-Syirazi, 1996, p. 3/189)

Muhammad Najib Al-Muthi'i stated that if someone borrows an item, such as wheat, oil, dirhams or dinars, they must return an item of the same kind because it holds more value. But, if someone borrows something that has nothing similar to it, such as clothing or an animal, there are different opinions on what should be done. Some argue that the goods should be returned along with their value (Al-Muthi'i, 2006, p. 12/215).

Ibn Taymiyyah (may Allah have mercy on him) (1262-1327 CE) in *Majmu'ah Al-Fataawa* stated,

الْقَرْضُ مُوجِبُهُ رَدُّ الْمِثْلِ

"The owe is obliged to return with such a thing." (Al-Harrani, 2011, pp. 29/52, 30/84)

Ibn Taymiyyah (*may Allah have mercy on him*) also mentioned,

الْقَرْضُ فَإِنَّهُ لَا يَجِبُ فِيهِ إِلَّا رَدُّ الْمِثْلِ بِلَا زِيَادَةٍ

"Receivables payable must be returned such as without any addition." (Al-Harrani, 2011, p. 29/535)

Ibn Taymiyyah gives the following example.

أَنَّهُ فِي الْقَرْضِ يَجِبُ فِيهِ رَدُّ الْمِثْلِ وَإِذَا اقْتَرَضَ حَيَوَانًا رَدَّ مِثْلَهُ

"Receivables payable must be returned with something like that. If what is borrowed is an animal, then it is returned to the like." (Al-Harrani, 2011, p. 20/563)

In the book *Al-Mu'tamad fi Al-Fiqh Ash-Shafii*, the law concerning qard is explained as follows:

1. The qard becomes perfect when there is a transfer of ownership of property, and the debtor (muqtaridh) may use it as they wish.
2. The creditor (muqridh) may demand repayment of the loan at any time after the property has been delivered to the debtor, whether or not a specific repayment time has been agreed upon.
3. The debtor (muqtaridh) must repay the loan with the same amount borrowed.
4. If the creditor (muqridh) does not require any additional payment for the loan, it is permissible.
5. If the creditor (muqridh) requires additional payment or a better repayment, the contract is invalid because any loan that includes benefits constitutive of usury.

Debt receivables actually involve helping and facilitating, not seeking profit (Az-Zuhaili, 2015, pp. 3/169-174).

If a qard contract is used in a digital wallet, the deposited money is owned by the digital wallet company through a lending scheme. This money is reflected in the balance of electronic money. The company can use the users' money and commit to returning it whenever the users need it. However, if the contract is qard, digital wallet users should not expect to receive discount benefits, as those benefits are obtained by creditors (muqridh).

Wadi'a

Wadi'a is derived from the Arabic word 'wada'a' which means to leave, deposit, put, or save. Wadi'a refers to deposits that are entrusted to someone else for safekeeping (Munawwir, 1997, pp. 1547-1548). In other words, it is when you leave something with someone and ask them to

take good care of it. Wadi'a can be defined as "the safekeeping of something that is owned or held in high regard." What is meant by "something that is owned" is something that is legally owned under Islamic law and can be used. Something that is held in high regard is something that cannot be owned under Islamic law, but can be used, such as a loyal dog. It is called "held in high regard" because it should not be destroyed (Al-Khin et al., 2009; Az-Zuhaili, 2015).

Wadi'a is mentioned in the Qur'an in verses about the duty of fulfilling trusts.

إِنَّ اللَّهَ يَأْمُرُكُمْ أَنْ تُؤَدُّوا الْأَمَانَاتِ إِلَىٰ أَهْلِهَا

“Indeed, Allah commands you to return trusts to their rightful owner.” (An-Nisa: 58)

Similarly, the hadith that talks about wadi'a is the hadith about the command to keep the trust. From Abu Hurairah (*may Allah be pleased with him*), the Prophet (peace and blessings of *Allaah be upon him*) said,

أَدِّ الْأَمَانَةَ إِلَىٰ مَنِ انْتَمَتْكَ ، وَلَا تَخُنْ مَنْ خَانَكَ

" *When someone entrusts you with a trust, fulfill it. Do not betray those who have betrayed you.* " (Reported by Abu Daud, no. 3535 and Tirmidhi, no. 1624. This hadith is hasan sahih)

Wadi'a is a form of trust in which goods are placed in the hands of a trustee. If the entrusted goods are damaged without negligence, then there is no duty for compensation (Ash-Shirazi, 1996, p. 3/382). Anyone who is unable to keep the entrusted goods should not accept them, as it is considered haram. Those who are able to keep the entrusted goods but are unsure of its nature should seek more information before accepting. If they are confident in the nature of the trust, then it is recommended to accept the entrusted goods (An-Nawawi, 2005, p. 2/380). The wadi'a is meant to be guarded, and those who own the goods ask that their items be protected and treated as trustful goods. Those who are entrusted with the goods are expected to guard them.

The Prophet (*peace and blessings of Allaah be upon him*) said,

الْمُسْلِمُونَ عَلَىٰ شُرُوطِهِمْ

"*Muslims must meet the agreed conditions.*" (Reported by Bukhari without sanad).

When someone entrusts their belongings to another person, it is the responsibility of the entrusted person to take care of those belongings and keep them in a safe place. The entrusted person should also take care of themselves, and not delegate the responsibility of looking after the goods to anyone else, such as a child, spouse, or employee. This is because the owner of the goods has entrusted them to the specific person, and it is their duty to take care of them. However, if the entrusted person allows someone else to look after the goods, it is allowed. It is not permissible to use the entrusted goods for personal use, as this would be a breach of trust. If the entrusted goods are damaged due to unauthorized use, the entrusted person will be held responsible and must compensate the owner. Even if the owner only requests the return of their goods, the

entrusted person must return them as soon as possible (Al-Khin et al., 2009, pp. 3/246-249; Az-Zuhaili, 2015, p. 3/649).

If the digital wallet contract is based on a Wadi'a agreement, any money deposited through top-up is considered a deposit from the user to the digital wallet company. The company can withdraw this money at any time. However, it must not be used by the company. In case of an unforeseen event that is not the fault of the digital wallet company, the deposited money is not required to be returned to the user.

Ijarah

"Ijarah" is a term that refers to renting out something to people who use it for work purposes. Meanwhile, "Ajr" refers to wages that will be given in the afterlife, and "Ujrah" refers to wages in this world (Al-Khin et al., 2009, p. 121). According to scholars, there are various meanings of "Ijarah" in Sharia law.

Imam bin 'Umar Nawawi Al-Jawi (1813-1897 CE), in his book *Nihayah Az-Zain*, defined ijarah as "the intended and certain agreement to provide a service in return for a certain payment." (Nawawi, 2002, p. 252). This definition is consistent with those of Al-Ghazzi (2023, p. 393) and Asy-Syathiri (2020, p. 178). In *Al-Mawsu'ah Al-Fiqhiyyah*, ijarah is described as "buying and selling for the purpose of obtaining a service, with goods only following." (Al-Mawsu'ah Al-Fiqhiyyah, 2012, p. 3/326)

Ijarah is a type of contract that allows the use of space, equipment, or other benefits on certain goods. For example, Ijarah can be used when renting a house for residence, paying wages for breastfeeding from a woman, hiring someone for Hajj or for buying and selling, and renting animals to ride. This type of contract is valid and allowed according to Islamic law (Asy-Syirazi, 2021, p. 444).

One of the verses in the Qur'an refers to Ijarah as follows.

فَإِنْ أَرْضَعْنَ لَكُمْ فَآتُوهُنَّ أَجُورَهُنَّ

"And if they nurse your child, I compensate them, and consult together courteously." (Ath-Thalaq: 6)

From 'Abdullah bin 'Umar (*may Allah be pleased with him*), the Prophet (peace and blessings of Allaah be upon him) said,

أَعْطُوا الْأَجِيرَ أَجْرَهُ قَبْلَ أَنْ يَجْفَ عَرْقُهُ

"Give it to a wage worker before their sweat dries." (Reported by Ibn Majah, sahih). The purpose of this hadith is to immediately fulfill the rights of the worker after he has finished working. This

means that if there is an agreement to provide a salary every month, immediately pay the salary for him.

Ijarah must have certain time conditions, and cannot be considered ijarah without time limits. Originally, the wages for the rental were immediately paid unless there was a condition of delay. When someone rents something, they hold a trust. Therefore, they are not ordered to pay compensation except in cases of carelessness (Hamid, 2011, p. 261). Something that is rented must be of value or incur wages, such as renting a house (Az-Zuhaili, 2015, p. 3/219).

If the digital wallet's contract utilizes an ijarah contract (or ijarah madfu'ah muqaddaman, where money or wages are deposited first), then the deposited money is converted into a top-up balance. This balance can then be used to purchase specific services that are available through the same company as the digital wallet or its affiliated partners.

Sarf

Sarf is part of the contract of buyu' (buying and selling), including the sale and purchase of goods that can result in usury, where there are separate conditions and rules that must be met.

Sarf has three etymological meanings: addition, rejection, and movement (Az-Zuhaili, 2015, p. 3/126).

According to scholars, the term "Sarf" has multiple meanings in the context of Sharia law.

In his book *Al-Mu'tamad fi Al-Fiqh Ash-Shafii*, Shaykh Prof. Dr. Muhammad Az-Zuhaili defines sarf as exchanging currency for currency or with others of different types (Az-Zuhaili, 2015, p. 3/126). Similarly, in the book *Fiqh Al-Mua'amalat Al-Maliyyah Al-Muyassar*, Shaykh Dr. 'Abdurrahman bin Humud Al-Mathiri describes sarf as "Exchanging money for money, whether the same or different kinds." (Al-Mathiri, 2018, p. 161). This definition is also mentioned by Shaykh Prof. Dr. Khalid bin 'Ali bin Muhammad Al-Musyaiqih in *Al-Mukhtashar fi Al-Mu'amalat* (Al-Musyaiqih, 2012, p. 77).

According to Al-Khin et al. (2009, p. 3/83), sarf contracts are allowed under Sharia law like any other forms of buying and selling.

The postulates of the Shari'ah that speak of Sarf are as follows.

From Abu Sa'id Al-Khudri (*may Allah be pleased with him*), the Prophet (peace and blessings of Allaah be upon him) said,

الذَّهَبُ بِالذَّهَبِ وَالْفِضَّةُ بِالْفِضَّةِ وَالْبُرُّ بِالْبُرِّ وَالشَّعِيرُ بِالشَّعِيرِ وَالتَّمْرُ بِالتَّمْرِ وَالْمَلْحُ بِالْمَلْحِ مِثْلًا بِمِثْلِ يَدًا بِيَدٍ فَمَنْ زَادَ أَوْ اسْتَرَادَ فَقَدْ أَرَبَى الْأَجْدُ وَالْمُعْطَى فِيهِ سَوَاءٌ

"If gold is sold with gold, silver is sold with silver, burr (wheat) is sold with wheat, sha'ir (low quality wheat) is sold with sha'ir, dates are sold with dates, and salt is sold with salt, then the amount (measure or scale) must be the same and paid cash. Whoever adds or asks for more has done usury. The one who takes and gives the addition are both in sin." (Reported by Muslim, no. 1584)

From 'Ubadah bin Ash-Shamit (*may Allah be pleased with him*), the Prophet (peace and blessings of *Allaah be upon him*) said,

الذَّهَبُ بِالذَّهَبِ وَالْفِضَّةُ بِالْفِضَّةِ وَالْبُرُّ بِالْبُرِّ وَالشَّعِيرُ بِالشَّعِيرِ وَالتَّمْرُ بِالتَّمْرِ وَالْمَلْحُ بِالْمَلْحِ مِثْلًا بِمِثْلِ سَوَاءٍ بِسَوَاءٍ يَدًا بِيَدٍ فَإِذَا اختلفت هذه الأصناف فبيعوا كيف شئتم إذا كان يداً بيد

"If gold is sold with gold, silver is sold with a silver, burr (wheat) is sold with wheat, sha'ir (low-quality wheat) is sold with sha'ir, dates are sold with dates, and salt is sold with salt, then the amount (measure or scale) must be the same and paid cash (cash). If the type of goods differs, please barter them as you like, but it must be done in cash." (Reported by Muslim, no. 1587)

These are the guidelines for exchanging usury goods:

1. When exchanging gold for gold or silver for silver, the exchanged items must have equal weight and be paid in cash immediately.
2. When exchanging gold for silver or vice versa, the weight of the exchanged items can be unequal, but they must be paid in cash immediately and handed over at the time of the exchange.
3. When exchanging similar types of food, the exchanged items must be of equal amount and be paid in cash immediately.
4. When exchanging different types of food, the amount of the exchanged items can be unequal, but they must be paid in cash immediately and handed over at the time of the exchange. (Al-Bajuri, 2020, pp. 2/609-610; Al-Ghazzi, 2023, p. 333; Hamid, 2011, p. 218)

If the digital wallet employs sarf contract, it means that the balance added by the user belongs to the digital wallet company. The company can then exchange this balance for digital currency with the approval of the relevant authority.

A review of funds deposited from a formal legal perspective

The nature of deposited funds has been stated in the Central Bank of Indonesia Regulation No. 20/6/PBI/2018 concerning Electronic Money, Article 1 point 3 that electronic money is a payment instrument that meets the following elements:

1. Issued based on the value of money deposited in advance to the issuer.
2. The value of money is stored electronically in a server or chip media.

3. The value of electronic money managed by the issuer is not a deposit as referred to in the Law governing banking.

In number 4, it is stated that electronic money is the value stored electronically in a server or chip media that can be moved for payment transactions and/or fund transfers.

What digital wallet companies can do to depositor funds has been stated in the Central Bank of Indonesia Regulation No. 20/6/PBI/2018 Article 49 point 1 that float funds can only be used to fulfill the Issuer's obligations to Users and Providers of Goods and/or Services, and are prohibited from being used for other purposes.

The risk of lost balances is discussed on the bi.go.id website. The risk of electronic money is lost and can be used by other parties because the principle of electronic money is the same as cash, which, if lost, cannot be claimed to the issuer.

The business license of a digital wallet company is explained in the Central Bank of Indonesia Regulation No. 20/6/PBI/2018 Articles 5 and 6 that the application for a license as an operator is submitted based on the grouping of payment system service providers.

Topping up balances in digital wallets is more geared towards defining payment instruments than storing funds or purchasing services in advance. This is stated in the Central Bank of Indonesia Regulation No. 20/6/PBI/2018 Article 4, which states that electronic money is the value stored electronically in a server or chip that can be moved for payment transactions and/or fund transfers. There is also a maximum limit on the balance stored in digital wallets as explained in the Central Bank of Indonesia Regulation No. 20/6/PBI/2018 Article 45 that the limit of the value of electronic money that can be stored for unregistered Electronic Money is a maximum of Rp2,000,000.00 (two million rupiahs); and for registered Electronic Money a maximum of Rp10,000,000.00 (ten million rupiahs). The limit of Electronic Money transaction value in 1 (one) month is a maximum of Rp20,000,000.00 (twenty million rupiah). The fact of users that most users certainly top up their balance just enough to help facilitate daily transactions. The deposited balance is not intended to be withdrawn (although it can, and this withdrawal is not the main contract), so the definitions of qard and wadi'a are inappropriate.

The rules of fiqh state,

الْعِبْرَةُ فِي الْعُقُودِ بِالْمَقَاصِدِ وَالْمَعَانِي، لَا بِالْأَلْفَافِ وَالْمَبَانِي

"Contracts are determined by their intended meaning, not in terms of the utterance or form of the words."

According to Article 61 of the Central Bank of Indonesia Regulation No. 20/6/PBI/2018, issuers are not allowed to issue Electronic Money with an Electronic Money Value that exceeds or falls short of the value of money deposited to the Issuer. The amount of money deposited into Electronic Money must be usable or transactable in full until the balance is zero.

There are four contracts that require a thorough review, and there are some crucial points that need to be considered. These include verifying the actual existence of deposited funds and digital balances, understanding the actions that digital wallet companies can take with depositor funds, assessing the risk of losing balances, confirming the business licenses of digital wallet

companies, and understanding the purpose of topping up balances. To summarize these five points, please refer to the table 1 given below.

Tabel 1. Digital wallets from various reviews

Review	Qard	Wadi'a	Ijarah	Sarf
The actual existence of deposited funds and digital balances	Debt for which the digital wallet company is obliged to return the deposited funds regardless of the circumstances	Entrustment funds where the digital wallet company is obliged to return the funds when requested except in the event that causes losses that are not the fault of the digital wallet company	The value of services to replace the services of digital wallet companies or affiliated companies is obliged to provide the promised services when requested	An electronic payment instrument in which a digital wallet company exchanges deposited funds with a digital balance issued by a digital wallet company with BI permission
What digital wallet companies can do with depositors' funds	Can be used for anything	It should not be used, it should only be stored	Can be used for anything	Electronic balances should not be used
Risk of lost balance	Covered by digital wallet companies regardless of the circumstances	Borne by the user unless the digital wallet company commits willful or negligent conduct	Responsibilities of digital wallet companies or affiliates	Electronic balances are borne by the user unless there is intentional or negligence on the part of the digital wallet company

Company business license	Financial institutions that have licenses to collect funds from the public	Financial institutions	Service companies	Electronic money issuers
Purpose of topping up balance	Saving funds	Saving funds	Getting services	Help with the payment process

As per the regulations of the Central Bank of Indonesia, adding funds to digital wallets is considered closer to the sarf contract compared to the other three contracts. Akad sarf refers to the conversion of money transferred to a digital wallet company into electronic money or electronic balance. Topping up balances in digital wallets is typically done to facilitate the payment process, and not to save funds, as funds in digital wallets are unlikely to be stored in large amounts exceeding 10 million rupiah. Users are responsible for their electronic balances, not the digital wallet company. Moreover, as per the rules of the Central Bank of Indonesia, digital wallet companies are not allowed to use this balance.

4. Conclusion and Suggestion

According to the regulations of the Central Bank of Indonesia, the closest service to top up digital wallets and make transactions is through the sarf contract. When users add money to their digital wallets, it is converted into electronic data known as e-money, which is similar to Indonesian rupiah and can be exchanged for dollars, ringgit, and riyals. This means that money is transformed into digital data. Any discounts, bonuses, free shipping, or cashback offered are promotional grants aimed at building an ecosystem and attracting more users. Such discounts are only applicable to digital wallet users and are given based on buying and selling transactions, rather than the balance in the wallet. This is different from qard transactions, such as those that occur when depositing money into a bank account, where interest is automatically earned without any action on the part of the user.

One area of research that could be explored is the fiqh law related to transactions made through digital wallets. Common transactions made through digital wallets include ordering food, transportation, paying bills, and making credit purchases. Another research area related to digital wallets is reviewing the fatwa of the National Sharia Board (DSN-MUI) that uses more recent legal conclusions. Additionally, another area that could be studied is whether the assets stored in digital wallets can be considered valuable digital assets, which may lead to disputes over ownership in the future. These studies can be beneficial for Muslims as they need to be aware of what is halal (permissible) and what is haram (prohibited) when using digital wallets. A wise Muslim is one who avoids unclear laws and fears Allah by avoiding the haram.

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