

Navigating the Halal Frontier: The Legality of Cryptocurrency in Islamic Finance

Mohammed Nabeel. K.*¹ and Dr. M. Sumathy²

¹Ph.D Research Scholar, Senior Research Fellow, School of Commerce, Bharathiar University, Coimbatore, India

²Professor & Head, School of Commerce, Bharathiar University, Coimbatore, India

nabeelmohammed44@gmail.com and sumathy@buc.edu.in

Abstract: *The popularity of virtual currencies has expanded dramatically in recent years. Seminars and conferences have been held to discuss the nature and feasibility of cryptocurrencies. Some argue that having a replacement for the current fiat currency system is a good idea since it does not need a bank account, tax payments, or audits, as cryptocurrencies do. Others argue that any means of payment other than the commonly recognised ones, such as cash, checks, DD, and so on, would allow for tax and audit evasion, which would have a huge detrimental impact on the government budget and the economy. The convergence of cryptocurrencies and Islamic finance has caused much controversy among the Muslim community about whether cryptocurrency transactions are permissible (halal) or prohibited (haram). This study investigates Islamic finance concepts as well as the technological and economic elements of cryptocurrencies in order to assess their conformity with Sharia law. It was found that cryptocurrencies are not Halal in Islam because they lack inherent value and are susceptible to additional regulatory oversight.*

Keywords: Cryptocurrency, Bitcoin, Islamic Finance, Halal, Shariah Compliance

JEL: G2, K2, O3, Z1

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