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Sharia Cryptocurrency Regulations and Fatwas: A Maqasid Shariah Analysis Regulasi Dan Fatwa Kripto Syariah: Analisis Maqasid Syariah

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Abstract: The growing use of cryptocurrency has triggered debates about its compatibility with Islamic law, especially in countries with a strong commitment to sharia economics. This study seeks to compare the legal regulations and religious fatwas on cryptocurrency in Indonesia and Malaysia, evaluated through the Maqasid Shariah framework. Using a normative-comparative legal approach, this research relies on statutory analysis, conceptual reviews, and cross-country comparisons. Key sources include DSN-MUI Fatwa No. 140/2021, Bappebti regulations, the Securities Commission Malaysia's Guidelines on Digital Assets, and resolutions from the Shariah Advisory Council of Bank Negara Malaysia. Findings indicate that Malaysia shows stronger sharia governance through mandatory audits and public literacy initiatives, while Indonesia provides clearer legal certainty by codifying fatwas and regulations. These findings suggest that each country can learn from the other: Indonesia may strengthen governance, and Malaysia may enhance legal certainty. The contribution of this paper lies in its novelty of applying Maqasid Shariah to a comparative legal study of cryptocurrency, offering relevant implications for policymakers and sharia authorities.

Keywords: Sharia Cryptocurrency, Maqasid Shariah, Comparative Law, Financial Regulation.

INTRODUCTION

In recent years, the rapid development of financial technology has introduced new instruments that challenge traditional understandings of money and investment within Islamic law. Among these innovations, cryptocurrency has emerged as one of the most controversial. Unlike conventional currencies, cryptocurrencies are decentralized digital assets that operate on blockchain technology. Their borderless nature and potential for financial inclusion have attracted global attention, yet their volatility and speculative tendencies have raised significant concerns, particularly in the context of Shariah compliance. In 2021, the global market capitalization of cryptocurrencies exceeded USD 3 trillion before experiencing a sharp decline in 2022 (IMF, 2022). This volatility not only highlights the speculative nature

of the asset but also underscores the urgency for religious and legal institutions to provide clarity. In Indonesia alone, the Commodity Futures Trading Regulatory Agency (Bappebti) reported that the number of registered crypto investors reached 16.7 million by the end of 2022, with transaction volumes exceeding IDR 300 trillion (Bappebti, 2022). Malaysia, though smaller in market size, has established itself as a regional hub for regulated digital assets, with the Securities Commission Malaysia licensing three digital asset exchanges by 2021 (SC Malaysia, 2021).

From an Islamic perspective, the phenomenon of cryptocurrency is highly contentious. Classical fiqh principles of muʿāmalāt emphasize the avoidance of gharar (excessive uncertainty), maysir (speculative gambling), and riba (usury). Rahim et al. (2019) and Rizwan (2020) argue that cryptocurrencies, due to their volatility and lack of intrinsic value, are inconsistent with these prohibitions. Conversely, Abdullah and Zain (2021) and Hassan et al. (2021) highlight that digital assets could be made permissible with sufficient governance and regulatory safeguards. The tension between prohibition and permissibility reflects deeper questions about the adaptability of Islamic law in addressing technological change. This debate has practical implications, as Muslim investors increasingly participate in crypto markets despite limited guidance, thereby necessitating legal and religious clarity.

The state of research demonstrates growing academic engagement with this issue. Nurhayati (2020) and Sari (2021) examined the Indonesian legal response, focusing on the role of DSN-MUI fatwas and Bappebti regulations. In Malaysia, Latif and Ahmad (2021) and Othman (2022) analyzed the integration of Shariah compliance within national financial governance, particularly through the resolutions of the Shariah Advisory Council. Beyond Southeast Asia, Hamid (2022) evaluated cryptocurrencies through the lens of Maqasid Shariah, emphasizing wealth preservation and harm prevention. Ismail (2021) likewise argued for a maqasid-based assessment, suggesting that cryptocurrency could serve public interest if risks were mitigated. Comparative studies remain rare, though Hassan et al. (2021) surveyed the broader field of Islamic finance and digital assets, noting the lack of cross-country analyses. Chapra (2019) and El-Gamal (2020), though not writing specifically on cryptocurrency, provide theoretical foundations in Islamic economics that continue to inform these debates. At the global level, UNCTAD (2021) highlighted blockchain's potential for sustainable development, while the World Bank (2021) emphasized digital inclusion as an opportunity for Islamic finance.

Despite this growing body of literature, significant gaps remain. First, most studies adopt single-country perspectives, focusing either on Indonesia or Malaysia in isolation. Few have systematically compared how two leading Muslim-majority jurisdictions operationalize Shariah principles in regulating cryptocurrencies. Second, existing research often emphasizes theological permissibility but neglects governance structures and regulatory mechanisms that shape compliance in practice. Third, there is insufficient application of Maqasid Shariah as an analytical framework for comparative legal analysis. While some scholars invoke maqasid in general terms, few studies employ it systematically to evaluate regulatory outcomes across different contexts. These gaps limit the ability of policymakers and scholars to fully understand how Shariah objectives can guide the governance of new financial technologies.

This study seeks to address these gaps by conducting a comparative analysis of cryptocurrency regulation in Indonesia and Malaysia through the lens of Maqasid Shariah. The research objectives are threefold: (1) to analyze the legal and Shariah-based frameworks governing cryptocurrency in Indonesia; (2) to examine the regulatory and Shariah governance structures in Malaysia; and (3) to compare both jurisdictions using Maqasid Shariah as an evaluative framework. The novelty of this research lies in its comparative approach and systematic application of maqasid, which moves beyond doctrinal debates about permissibility to explore practical regulatory implications. The contribution is twofold:

theoretically, it enriches Islamic legal scholarship by demonstrating how Maqasid Shariah can be applied to contemporary financial instruments; practically, it provides policy insights for regulators, Shariah authorities, and investors navigating the complexities of cryptocurrency. In doing so, the study contributes to the broader project of aligning financial innovation with Islamic ethical and legal principles, ensuring that technological progress does not come at the expense of Shariah objectives.

The emergence of cryptocurrency has posed unprecedented challenges to Islamic law and finance. Classical fiqh muʿāmalāt provides foundational principles for economic transactions, emphasizing justice, fairness, and the avoidance of prohibited elements such as gharar (excessive uncertainty), maysir (gambling or speculation), and riba (usury). Within this framework, money is traditionally defined as a medium of exchange with intrinsic value, typically represented by gold, silver, or state-backed currency. As El-Gamal (2020) explains, Islamic finance is grounded in the principle that money itself should not be treated as a commodity to generate profit but should function as a tool to facilitate trade and productive investment. The rise of cryptocurrency, with its digital and decentralized nature, challenges these classical definitions and forces scholars to reassess whether such assets can be accommodated within Islamic jurisprudence.

From the perspective of fiqh muʿāmalāt, scholars are divided regarding the permissibility of cryptocurrency. Rahim et al. (2019) and Rizwan (2020) argue that the extreme volatility and speculative use of cryptocurrency make it inconsistent with Shariah principles, as it resembles gambling and introduces substantial gharar. By contrast, Abdullah and Zain (2021) and Hassan et al. (2021) highlight that, if properly regulated, digital assets could align with Islamic finance by enabling wealth creation, financial inclusion, and transparency. The debate reflects broader tensions within Islamic jurisprudence about adapting classical principles to contemporary innovations. Chapra (2019) stresses that Islamic economics is not rigid but dynamic, designed to uphold justice across different contexts. Thus, the core issue is not whether cryptocurrency fits classical definitions of money but whether its usage fulfills or undermines the objectives of Shariah.

Maqasid Shariah provides a useful framework for assessing new financial innovations. Traditionally articulated by al-Ghazali and al-Shatibi, maqasid refers to the higher objectives of Islamic law, which seek to protect religion (ḥifẓ al-dīn), life (ḥifẓ al-nafs), intellect (ḥifẓ al-ʿaql), lineage (ḥifẓ al-nasl), and wealth (ḥifẓ al-māl). In financial contexts, the most relevant dimension is the protection of wealth, which requires both safeguarding assets from harm and enabling their productive growth. Hamid (2022) argues that cryptocurrencies must be evaluated based on their potential to generate maslahah (public benefit) and avoid mafsadah (harm). Ismail (2021) similarly asserts that digital assets may be permissible if they promote financial inclusion and transparency, aligning with maqasid objectives. However, when cryptocurrencies facilitate speculative behavior or financial fraud, they undermine maqasid by threatening economic stability and social welfare.

The regulatory approaches in Indonesia and Malaysia illustrate different applications of maqasid principles. In Indonesia, DSN-MUI Fatwa No. 140/2021 declared that cryptocurrencies cannot be used as currency because they lack intrinsic value and are prone to gharar and maysir. Nonetheless, the fatwa permits cryptocurrency to be treated as a tradable digital commodity, aligning with Bappebti Regulation No. 8/2021, which recognizes crypto as a legitimate asset class in futures markets. Nurhayati (2020) and Sari (2021) emphasize that this dual position reflects an effort to protect wealth while preventing harm, consistent with maqasid. However, critics argue that relying primarily on fatwas and commodity regulations may limit comprehensive governance and investor protection.

Malaysia adopts a more integrated approach. The Securities Commission Malaysia issued the Guidelines on Digital Assets (2020), which regulate both initial coin offerings

(ICOs) and digital asset exchanges. These guidelines embed Shariah compliance into national financial governance, supported by resolutions from the Shariah Advisory Council of Bank Negara Malaysia. Latif and Ahmad (2021) highlight that this system institutionalizes Shariah audit and governance, ensuring that financial innovation is consistent with Islamic principles. Othman (2022) further explains that Malaysia's approach reflects a maqasid orientation by emphasizing transparency, investor protection, and systemic stability. Unlike Indonesia, where Shariah legitimacy is primarily provided by religious authorities, Malaysia integrates religious principles within state regulatory bodies, creating a more cohesive governance model.

Beyond Southeast Asia, other Muslim-majority jurisdictions provide additional perspectives. In Turkey, cryptocurrencies are not recognized as legal tender but can be traded as assets, with debates ongoing among Shariah scholars (IMF, 2022). In Pakistan, the State Bank has expressed concerns over volatility and illicit use, leading to restrictions on exchanges, although some scholars argue for permissibility under strict regulation (World Bank, 2021). In the Gulf Cooperation Council (GCC) countries, such as the United Arab Emirates, regulators have experimented with blockchain in Islamic crowdfunding and sukuk issuance, reflecting a more innovation-friendly environment (UNCTAD, 2021). These cases demonstrate that regulatory responses are diverse, shaped by local institutional structures, but unified by the challenge of reconciling financial innovation with Islamic principles.

Several comparative studies contribute to this debate but remain limited in scope. Hassan et al. (2021) provide a review of Islamic finance and digital assets, noting that most research has been fragmented and lacking cross-country analysis. Their study highlights the need for more comprehensive evaluations that integrate legal, economic, and Shariah perspectives. Previous research on Indonesia, such as Nurhayati (2020) and Sari (2021), tends to emphasize fatwas and legal recognition without systematically applying maqasid. Similarly, studies on Malaysia, such as Latif and Ahmad (2021) and Othman (2022), focus on governance mechanisms without explicitly comparing them to other jurisdictions. This creates a research gap in understanding how maqasid can serve as a comparative framework across different institutional contexts.

Theoretical contributions also remain underdeveloped. While scholars such as Chapra (2019) and El-Gamal (2020) provide general foundations of Islamic economics, there is limited engagement with how these theories can be operationalized in digital finance. Moreover, most empirical studies rely on doctrinal analysis of fatwas and regulations, with few attempts to systematically measure Shariah compliance or evaluate investor behavior in practice. As IMF (2022) and World Bank (2021) point out, digital assets pose both risks and opportunities for financial inclusion, but their implications for Islamic finance remain underexplored. This gap underscores the need for research that bridges theory and practice, aligning Islamic jurisprudence with contemporary regulatory challenges.

In summary, the literature reveals four key insights. First, there is no consensus among scholars on the permissibility of cryptocurrency, with debates centering on volatility, speculation, and intrinsic value. Second, Maqasid Shariah provides a flexible but underutilized framework for evaluating digital assets, with potential to balance benefit and harm. Third, Indonesia and Malaysia offer contrasting but complementary regulatory models, reflecting different institutional arrangements. Fourth, comparative research remains scarce, creating an opportunity for studies that integrate legal, regulatory, and maqasid perspectives. This study seeks to address these gaps by providing a comparative analysis of Indonesia and Malaysia, using maqasid as the evaluative framework. By doing so, it contributes to both academic scholarship and policy debates on the future of cryptocurrency in Islamic finance.

METHOD

This research employs a qualitative legal research design with a normative and comparative approach. As an undergraduate study, the purpose is not to develop complex empirical models but to systematically analyze authoritative documents, fatwas, regulations, and scholarly writings related to cryptocurrency in Indonesia and Malaysia. The normative aspect refers to the study of written legal sources, while the comparative aspect involves evaluating and contrasting the regulatory frameworks of both jurisdictions. The ultimate goal is to assess these frameworks through the lens of Maqasid Shariah, thereby identifying their strengths, weaknesses, and implications for Islamic finance.

The unit of analysis in this study consists of legal and Shariah-based texts that govern or provide guidance on cryptocurrency. These include, as primary sources, DSN-MUI Fatwa No. 140/2021, Bappebti Regulation No. 8/2021, the Securities Commission Malaysia's Guidelines on Digital Assets (2020), and resolutions of the Shariah Advisory Council of Bank Negara Malaysia. Secondary sources include peer-reviewed journal articles, academic books, and reports from international organizations such as the IMF (2022), World Bank (2021), and UNCTAD (2021). By focusing on documents rather than individual respondents, the study ensures that analysis is based on authoritative and verifiable sources.

The population of this study is defined as the body of regulatory and Shariah documents on cryptocurrency produced in Indonesia and Malaysia from 2019 to 2023. From this population, purposive sampling was employed to select documents directly relevant to the research objectives. This non-probability sampling technique was chosen because the aim is not to generalize statistically but to analyze cases that are most informative for the research problem. Thus, only documents that explicitly address the permissibility, regulation, or governance of cryptocurrency within an Islamic legal framework were included.

Data collection was conducted through document study, which involved reviewing and coding the contents of fatwas, regulations, and academic literature. Online databases such as Scopus, Web of Science, and Google Scholar were used to identify relevant articles, while official websites of regulatory institutions (e.g., Bappebti, Securities Commission Malaysia, and DSN-MUI) were consulted for primary legal texts. Care was taken to ensure that all documents were up-to-date and sourced from official institutions or peer-reviewed outlets. By limiting the data to credible sources, the study minimizes the risk of relying on unreliable or non-academic materials.

To ensure data validity, source triangulation was applied. This involved cross-checking findings from different types of sources—for example, comparing the content of fatwas with corresponding government regulations, and aligning these with analyses from scholarly articles. Triangulation enhances the credibility of qualitative research by demonstrating that conclusions are not based on a single perspective but are supported by multiple, independent sources. In addition, the study employed peer debriefing by consulting academic literature that critically evaluates fatwas and regulations, thus ensuring balanced interpretation.

The analysis was conducted using qualitative content analysis. This technique involves systematically coding textual data into themes and categories relevant to the research objectives. In this study, themes such as gharar, maysir, riba, wealth protection, governance, and investor protection were identified and used as analytical categories. Once coded, the data were analyzed comparatively to identify similarities and differences between Indonesia and Malaysia. The Maqasid Shariah framework served as the interpretive lens, guiding the evaluation of whether regulatory approaches in both countries achieve the objectives of protecting wealth, intellect, and the public interest. This step-by-step process enabled the researcher to move from descriptive findings to evaluative conclusions.

This methodological design is appropriate for undergraduate research in Islamic economics and law for several reasons. First, the reliance on document analysis ensures

feasibility within limited resources and time constraints typical of undergraduate study. Second, the use of purposive sampling and triangulation balances academic rigor with practical limitations. Third, the integration of Maqasid Shariah as an analytical framework provides a clear theoretical foundation, aligning the research with both classical Islamic principles and contemporary debates. Together, these elements enable the study to achieve its objectives without requiring sophisticated econometric modeling or advanced empirical methods beyond the scope of undergraduate research.

RESULTS AND DISCUSSION

The analysis of legal and regulatory frameworks demonstrates significant differences between Indonesia and Malaysia in their treatment of cryptocurrency. In Indonesia, the National Sharia Council–Majelis Ulama Indonesia (DSN-MUI) issued Fatwa No. 140/2021, which strictly prohibits the use of cryptocurrency as a currency on the grounds that it does not fulfill the essential characteristics of money under Shariah. The fatwa emphasizes that cryptocurrency contains elements of gharar and maysir due to its extreme volatility and absence of intrinsic value. Nevertheless, the fatwa allows cryptocurrency to be traded as a digital commodity, provided that it complies with regulatory provisions established by the Commodity Futures Trading Regulatory Agency (Bappebti). This position is reinforced by Bappebti Regulation No. 8/2021, which recognizes cryptocurrency as a legal tradable commodity under futures exchange systems. Therefore, Indonesia's regulatory stance creates a dual character: prohibition of cryptocurrency as currency, yet recognition as a commodity for investment and trading purposes.

In contrast, Malaysia adopts a more integrated and governance-oriented approach. The Securities Commission Malaysia issued the Guidelines on Digital Assets (2020), which comprehensively regulate the issuance of initial coin offerings (ICOs) and the operation of digital asset exchanges. These guidelines embed Shariah compliance as a necessary requirement, as confirmed by the resolutions of the Shariah Advisory Council (SAC) of Bank Negara Malaysia. The SAC clarified that cryptocurrency may be permissible as long as it does not involve prohibited elements such as riba, gharar, or maysir, and is supported by transparent governance mechanisms. Unlike Indonesia, which relies on religious fatwas combined with sectoral financial regulations, Malaysia places cryptocurrency within its broader financial regulatory structure, integrating Shariah audit and governance across institutions.

The comparative findings suggest that Malaysia emphasizes governance, institutional oversight, and Shariah audit, while Indonesia emphasizes legal certainty and formal fatwas. Both approaches are shaped by domestic institutional contexts: Indonesia relies heavily on religious authorities for legitimacy, while Malaysia institutionalizes Shariah compliance within state financial regulators.

Furthermore, when analyzed through the lens of Maqasid Shariah, both countries' approaches reveal partial alignment with Shariah objectives. Indonesia's prohibition of cryptocurrency as money aligns with the protection of wealth (ḥifẓ al-māl) and the prevention of harm (dar' al-mafāsid), given concerns about volatility and speculation. At the same time, recognition of cryptocurrency as a tradable commodity allows for wealth generation opportunities, thereby supporting economic benefits. Malaysia's regulatory framework, on the other hand, aligns with both wealth protection and intellect protection (ḥifẓ al-ʿaql), as it emphasizes transparency, investor education, and structured market oversight. Both jurisdictions demonstrate a concern for maqasid, though with different emphases.

The findings highlight important theoretical and practical implications. From a theoretical perspective, the dual stance of Indonesia reflects an attempt to balance the classical fiqh prohibitions on gharar and maysir with the economic realities of modern

financial markets. This supports Rahim et al. (2019) and Rizwan (2020), who argue that speculation undermines Shariah compliance. However, Indonesia's allowance for crypto as a tradable commodity resonates with Abdullah and Zain (2021), who propose that digital assets may achieve permissibility when properly regulated. The Indonesian approach thus contributes to the literature by demonstrating a hybrid model that integrates doctrinal prohibition with pragmatic economic recognition.

Malaysia's governance-oriented model supports the conclusions of Othman (2022) and Latif & Ahmad (2021), who emphasized that embedding Shariah audit into financial systems enhances compliance and stability. This approach aligns with Hassan et al. (2021), who stressed the importance of governance in enabling Islamic finance to accommodate cryptocurrencies. By integrating Shariah compliance into national regulatory frameworks, Malaysia demonstrates a proactive model that ensures both market integrity and religious legitimacy.

The novelty of this research lies in applying the Maqasid Shariah framework to comparatively analyze both jurisdictions. Previous studies often focused only on one country (Nurhayati, 2020; Sari, 2021) or discussed general permissibility without cross-country comparison (Hamid, 2022; Ismail, 2021). By systematically applying maqasid, this study identifies how Indonesia emphasizes harm prevention (dar' al-mafāsid) while Malaysia emphasizes governance and systemic stability. This comparative insight is a contribution to both Islamic legal scholarship and policy debates, filling the research gap noted in earlier reviews.

The implications are also practical. For Indonesia, the findings suggest the need to strengthen Shariah governance beyond the issuance of fatwas. While fatwas provide religious legitimacy, they may not ensure compliance at the institutional level. Incorporating Shariah audit and financial supervision mechanisms, as practiced in Malaysia, could enhance investor protection and reduce market manipulation. For Malaysia, the implication is to reinforce legal certainty through codified prohibitions or explicit regulations that clearly define permissible and impermissible practices. While governance is strong, the absence of explicit prohibitions could create ambiguity, which Indonesia's system addresses more directly.

From a Maqasid perspective, the balance between potential benefits (jalb al-maṣāliḥ) and prevention of harm (dar' al-mafāsid) remains central. Both countries' frameworks partially meet maqasid objectives but could achieve greater alignment by adopting each other's strengths. Indonesia could enhance financial literacy and investor protection (ḥifẓ al-ʿaql) through governance reforms, while Malaysia could strengthen legal certainty (ḥifẓ al-māl) by codifying clearer prohibitions. This mutual learning reflects the flexibility of maqasid in accommodating new financial instruments.

The contribution of this research extends beyond doctrinal debates. It demonstrates how Islamic legal theory can engage with contemporary financial regulation, providing tools for policymakers to balance innovation and compliance. It also enriches comparative Islamic finance literature by showing how institutional contexts shape regulatory outcomes. While previous research has examined cryptocurrency from theological or economic perspectives, this study integrates legal, regulatory, and maqasid frameworks, offering a multidimensional contribution.

Finally, the findings resonate with global policy debates. The IMF (2022) emphasized the need for legal clarity in digital asset markets, which is evident in Indonesia's reliance on fatwas and regulations. The World Bank (2021) highlighted digital financial inclusion, which Malaysia addresses through its integrated framework. UNCTAD (2021) underlined the potential of blockchain for sustainable development, contingent upon robust governance—a principle strongly reflected in Malaysia's approach. These connections show that both countries' policies align not only with Islamic legal objectives but also with international best

practices, positioning them as models for other Muslim-majority jurisdictions grappling with similar challenges.

CONCLUSION

This study has examined the regulation of cryptocurrency in Indonesia and Malaysia through the lens of Maqasid Shariah, and the findings reveal both convergence and divergence in how Islamic principles are applied to emerging financial technologies. In Indonesia, DSN-MUI Fatwa No. 140/2021 and Bappebti Regulation No. 8/2021 emphasize legal certainty and religious legitimacy by prohibiting cryptocurrency as a medium of exchange but allowing it to be treated as a tradable commodity. This approach reflects concerns about gharar, maysir, and volatility, and it seeks to preserve wealth and prevent harm in accordance with Shariah. Malaysia, in contrast, has institutionalized Shariah governance through the Securities Commission's Guidelines on Digital Assets (2020) and the resolutions of the Shariah Advisory Council. Rather than relying primarily on prohibitions, Malaysia integrates compliance into the broader financial regulatory system, emphasizing transparency, investor protection, and systemic stability. Both models address important aspects of Maqasid Shariah, with Indonesia focusing on doctrinal legitimacy and Malaysia emphasizing governance, yet neither offers a complete solution on its own.

The comparative analysis highlights the value of integrating the strengths of both systems. Indonesia provides clearer religious legitimacy, which strengthens investor confidence from a theological standpoint, but lacks mechanisms for comprehensive institutional oversight. Malaysia ensures governance and regulatory oversight but could benefit from greater doctrinal clarity through explicit rulings on permissibility. When viewed together, these approaches suggest that the most effective framework would be one that combines religious legitimacy with governance, thereby ensuring both certainty and stability in Shariah-compliant digital finance. This represents the novelty of the study, as previous research has typically considered each country in isolation or restricted analysis to permissibility debates, whereas this research demonstrates how Maqasid Shariah can serve as a systematic comparative framework. In doing so, the study contributes both theoretically, by enriching the literature on the application of maqasid in financial regulation, and practically, by offering guidance to policymakers on how to balance innovation and compliance.

The implications of these findings are significant. For Indonesia, the results point to the necessity of strengthening Shariah governance beyond the issuance of fatwas by embedding compliance mechanisms and investor protection into the regulatory framework. For Malaysia, the analysis highlights the importance of enhancing legal certainty by codifying explicit rules regarding which digital assets are permissible under Shariah. Both countries would also benefit from mutual learning and collaboration in developing harmonized Shariah standards for cryptocurrency, which could serve as a reference for other Muslim-majority jurisdictions. Such harmonization would respond to global policy calls from international bodies such as the IMF, World Bank, and UNCTAD for greater regulatory clarity, while also advancing the maqasid objectives of protecting wealth and intellect. From a policy perspective, this suggests a roadmap in which short-term priorities focus on improving clarity and compliance within each country, medium-term efforts center on building Shariah-compliant exchanges and digital finance products, and long-term strategies aim to establish regional frameworks that position Southeast Asia as a leader in Islamic digital finance.

Beyond practical policy, this research also contributes to the broader academic discourse by showing that Maqasid Shariah is not only a normative concept but also a practical analytical tool for contemporary issues. By applying maqasid to the regulation of cryptocurrency, the study demonstrates the adaptability of Islamic law in addressing modern financial innovations while remaining faithful to its ethical objectives. Future research should

extend this analysis through empirical studies of investor behavior, applications of blockchain in Islamic social finance such as zakat or waqf, and comparisons with other jurisdictions in the Middle East or South Asia. Taken together, the findings confirm that Islamic law retains its relevance and authority in guiding responses to digital transformation, provided that scholars and regulators are willing to engage critically and creatively with new challenges. In conclusion, the regulation of cryptocurrency in Islamic finance requires an integrated framework that unites doctrinal legitimacy, legal certainty, and institutional governance. The Indonesian and Malaysian experiences, though distinct, together illustrate a pathway toward achieving this balance, ensuring that financial innovation supports rather than undermines the higher objectives of Shariah.

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