

The Role of Maṣlaḥa (Public Interest) in Determining Fatwas on Cryptocurrency in Muslim-Majority Countries

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Abstract

This research explores the role of maṣlaḥa (public interest) in shaping fatwas on cryptocurrency in Muslim-majority countries, focusing on Saudi Arabia, Malaysia, and Turkey. Through qualitative analysis of fatwas and interviews with Islamic scholars, the study reveals significant variations in the application of maṣlaḥa across these countries. In Saudi Arabia, a conservative approach emphasizes preventing harm and financial instability, resulting in prohibitive fatwas on cryptocurrency. In contrast, Malaysia and Turkey adopt a more progressive interpretation of maṣlaḥa, allowing for the regulated use of cryptocurrency to promote economic growth and financial inclusion. The findings demonstrate that maṣlaḥa provides a flexible framework for Islamic jurists to address contemporary financial innovations, but its application is shaped by local economic priorities, political contexts, and regulatory frameworks. This research contributes to the understanding of how Islamic legal principles are adapted to address the challenges posed by emerging financial technologies like cryptocurrency, offering insights for policymakers, regulators, and scholars in Islamic finance.

Keywords

Maṣlaḥa
Cryptocurrency
Islamic finance

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Introduction

The rise of cryptocurrency as a global phenomenon has introduced both opportunities and challenges, particularly within the financial sector. Cryptocurrencies such as Bitcoin, Ethereum, and others have gained widespread attention for their decentralized nature, reliance on blockchain technology, and potential for financial innovation (Bakar, 2016). However, in Muslim-majority countries, where Islamic law (*shariah*) plays a significant role in regulating financial transactions, the permissibility of cryptocurrency has become a subject of intense debate. Islamic jurisprudence offers a framework that governs financial transactions, emphasizing principles such as the prohibition of *riba* (interest), *gharar* (excessive uncertainty), and *maysir* (gambling) (El-Gamal, 2006).

One of the key concepts in Islamic law that jurists use to derive rulings, particularly in new and emerging issues like cryptocurrency, is *maṣlaḥa* (public interest). *Maṣlaḥa* refers to considerations of public welfare, a critical concept in Islamic jurisprudence when no explicit text from the Qur'an or Hadith offers clear guidance (Kamali, 1991). Through the lens of *maṣlaḥa*, Islamic scholars evaluate the societal benefits and harms associated with a particular issue, and this has proven essential in formulating contemporary fatwas (Islamic legal rulings) on cryptocurrency.

Fatwas on cryptocurrency vary significantly across Muslim-majority countries, with some nations, such as Saudi Arabia and Egypt, adopting a conservative stance and deeming it impermissible, while others like Malaysia and Turkey take a more permissive approach, considering cryptocurrency as permissible with certain

regulations. In these cases, *maṣlaḥa* serves as a central argument, weighing the public interest of technological and financial advancement against potential risks of harm, instability, and illegal activities associated with cryptocurrencies (Sahalan & Samsudin, 2023).

Cryptocurrency poses unique challenges within Islamic jurisprudence. For example, the decentralized and unregulated nature of cryptocurrencies introduces concerns about *gharar* and *maysir*, both of which are explicitly prohibited in Islamic financial law (Todorof, 2020). However, some scholars argue that if properly regulated, cryptocurrency could align with Islamic objectives by fostering economic inclusion and innovation, thus serving public interest (Vogel & Hayes, 1998). This line of thinking has been particularly prevalent in fatwas from countries that emphasize *maṣlaḥa* as a tool to navigate contemporary economic and technological shifts (Usmani, 2002).

The role of *maṣlaḥa* in shaping fatwas on cryptocurrency is especially relevant given the increasing adoption of digital currencies in the global economy. As cryptocurrency continues to grow in popularity, many Muslim-majority countries are being forced to confront its implications for Islamic finance (Bakar, 2016). The varied interpretations of *maṣlaḥa* lead to different outcomes in fatwas, with scholars from different countries weighing public interest factors such as economic benefit, security risks, and regulatory capacity.

In Saudi Arabia, for instance, a conservative interpretation of *maṣlaḥa* tends to focus on the potential harms of cryptocurrencies, including their association with speculative bubbles and illicit activities. Meanwhile, Malaysia has embraced a more progressive stance, where the *maṣlaḥa* argument has been used to justify the regulation rather than outright prohibition of cryptocurrencies, recognizing their potential to drive economic growth and innovation.

The Concept of *Maṣlaḥa* in Islamic Law

Defining *Maṣlaḥa*

The term *maṣlaḥa* originates from the Arabic root “*ṣ-l-ḥ*,” which broadly translates to benefit, welfare, or public interest. In Islamic jurisprudence, *maṣlaḥa* refers to the promotion of public good and the prevention of harm, particularly in situations where the sacred texts (the Qur'an and Hadith) are silent or unclear on specific issues. Historically, *maṣlaḥa* has been employed as a tool for deriving rulings on novel matters that did not exist at the time of the Prophet Muhammad or for issues where there is no explicit scriptural guidance. It is considered an extension of Islamic law, aiming to ensure that legal rulings align with the overall objectives (*maqasid*) of *shariah*.

In classical Islamic legal theory, *maṣlaḥa* is categorized into three types: 1) *Maṣlaḥa mu'tabara* (Considered Interest): Interests that are explicitly validated and supported by scriptural evidence, such as the preservation of life, property, religion, intellect, and progeny; 2) *Maṣlaḥa mursala* (Unrestricted Interest): Interests that are neither validated nor invalidated by explicit scriptural texts but are considered legitimate due to their alignment with the objectives of *shariah*. These are typically applied to contemporary issues; 3) *Maṣlaḥa mulghat* (Invalidated Interest): Interests that are explicitly rejected by the Qur'an or Hadith, such as those that conflict with the core principles of Islamic law, like engaging in usurious transactions (*riba*).

Maṣlaḥa serves as a bridge between legal theory and social realities, enabling Islamic jurists to adapt and respond to emerging issues in society. It functions as a jurisprudential mechanism for balancing individual and collective interests in light of the objectives of Islamic law (*maqasid al-shariah*)—which seek to preserve and protect essential human needs and values (Kamali, 1991).

Role of *Maṣlaḥa* in Islamic Legal Theory

The principle of *maṣlaḥa* is deeply rooted in the Islamic legal tradition, playing a crucial role in the formulation of rulings on issues where there is no explicit legal text. Its role is particularly significant in the development of Islamic law during periods of legal reform and in addressing issues arising in modern contexts, such as finance, technology, and governance. The foundation of *maṣlaḥa* is based on the understanding that Islamic law is not rigid, but adaptable and aimed at ensuring human welfare.

One of the most significant contributions to the understanding of *maṣlaḥa* comes from the classical jurist Al-Ghazali, who argued that the purpose of Islamic law is to achieve the welfare of the people by protecting five fundamental objectives: faith, life, intellect, progeny, and property (Kamali, 1991). Al-Ghazali emphasized that *maṣlaḥa* is not merely about individual benefit, but the collective welfare of the Muslim community.

Another influential scholar, Al-Shatibi, expanded on Al-Ghazali's theory by categorizing the objectives of *maṣlaḥa* into three levels: 1) Necessities (*daruriyyat*): Essential interests necessary for the survival and functioning of society (e.g., protection of life, religion, and property); 2) Needs (*hajiyyat*): Interests that facilitate the alleviation of hardship and ensure basic comforts in life (e.g., legal provisions that allow concessions during hardship); 3) Luxuries (*tahsiniyyat*): Interests that enhance the quality of life and promote ethical and moral excellence (e.g., ensuring cleanliness in public spaces).

The use of *maṣlaḥa* as a legal tool has been widely debated among Islamic scholars, with some viewing it as an essential means of adapting Islamic law to the changing needs of society, while others argue that it should be used cautiously to avoid overstepping the bounds of *shariah*. Scholars like Ibn Taymiyyah have also emphasized the importance of ensuring that the pursuit of *maṣlaḥa* does not lead to the abandonment of explicit legal texts or the introduction of rulings that conflict with Islamic principles (El-Gamal, 2006).

Maṣlaḥa in Islamic Financial Jurisprudence

The application of *maṣlaḥa* in Islamic financial jurisprudence is particularly relevant in addressing modern financial instruments and technologies, such as cryptocurrency, Islamic banking, and insurance (*takaful*). The rapidly changing global financial landscape has introduced new challenges that classical Islamic jurists could not have anticipated. In such instances, *maṣlaḥa* is invoked to formulate rulings that balance Islamic legal principles with the demands of contemporary financial markets.

One prominent example is the development of Islamic banking. In conventional banking systems, interest-based transactions (*riba*) are a foundational component. However, since *riba* is strictly prohibited in Islamic law, Islamic scholars have utilized *maṣlaḥa* to justify alternative financial models that comply with Islamic principles. For instance, the concept of *ijara* (leasing) and *murabaha* (cost-plus financing) were developed to address the need for Islamic-compliant financial transactions while promoting public welfare and economic growth (El-Gamal, 2006).

Similarly, *maṣlaḥa* has been instrumental in the Islamic insurance industry, where the need for financial security and risk management led to the development of *takaful*, an Islamic alternative to conventional insurance. By utilizing the concept of *maṣlaḥa*, Islamic scholars were able to design a system that protects individuals from financial losses due to unforeseen events without violating the prohibitions on *gharar* (excessive uncertainty) and *maysir* (gambling).

The application of *maṣlaḥa* has also been central to the debates surrounding cryptocurrency. Scholars in Muslim-majority countries have used *maṣlaḥa* to evaluate the benefits and harms of cryptocurrencies like Bitcoin and Ethereum. While some jurists argue that cryptocurrencies pose risks related to financial instability, illicit activities, and speculative bubbles (Todorof, 2020), others argue that if properly regulated, cryptocurrency could promote economic inclusion, innovation, and growth. In this context, *maṣlaḥa* becomes

a key factor in determining whether cryptocurrency should be deemed permissible or prohibited under Islamic law.

***Maṣlaḥa* and Contemporary Fatwas**

In the contemporary era, *maṣlaḥa* continues to play an essential role in shaping fatwas on a wide range of issues, including modern financial systems, medical ethics, and technological advancements. Modern Islamic scholars rely on *maṣlaḥa* to address issues where traditional Islamic jurisprudence may not provide explicit guidance, ensuring that Islamic rulings remain relevant and responsive to the needs of society.

For instance, in the case of cryptocurrency, fatwas from countries like Saudi Arabia, Malaysia, and Turkey have employed *maṣlaḥa* to guide their rulings. Saudi scholars, often adopting a conservative approach, have tended to emphasize the potential harms of cryptocurrency, such as its association with criminal activities and lack of governmental regulation, and have issued fatwas that discourage its use. Conversely, Malaysia and Turkey have taken a more progressive approach, using *maṣlaḥa* to justify the regulation and controlled use of cryptocurrency within an Islamic framework. In these cases, *maṣlaḥa* is employed to balance the economic potential of cryptocurrency with the need to protect public interest and ensure compliance with Islamic ethical principles.

Balancing *Maṣlaḥa* and Traditional Islamic Legal Concerns

While *maṣlaḥa* is a powerful tool for deriving legal rulings on modern issues, Islamic scholars must balance it with traditional concerns, such as the prohibitions on *riba*, *gharar*, and *maysir*. In the context of financial transactions, this balance is especially important, as the preservation of economic stability and fairness is a central objective of Islamic law. Scholars are careful to ensure that the pursuit of public welfare through *maṣlaḥa* does not lead to the erosion of Islamic legal principles.

This balancing act is evident in contemporary fatwas on cryptocurrency, where the application of *maṣlaḥa* often comes into tension with the risks of financial speculation (*gharar*) and the potential for gambling-like behavior (*maysir*) associated with volatile digital currencies (Todorof, 2020). By carefully weighing the public interest against these traditional prohibitions, Islamic jurists aim to issue rulings that uphold the integrity of Islamic law while addressing the needs of a rapidly changing financial world.

Methods

Research Design

This study employed a qualitative research design to explore how the concept of *maṣlaḥa* (public interest) was used in the formulation of fatwas on cryptocurrency in Muslim-majority countries. The research aimed to understand the reasoning behind Islamic legal rulings and the role of *maṣlaḥa* in adapting Islamic jurisprudence to new financial technologies, such as cryptocurrency. A qualitative approach was deemed appropriate due to the exploratory nature of the research, which focused on understanding the subjective interpretations of shariah by Islamic scholars.

Data Collection

Data were collected from two primary sources

Fatwas on cryptocurrency: The primary data consisted of fatwas issued by recognized Islamic juristic bodies from several Muslim-majority countries, including Saudi Arabia, Malaysia, and Turkey. These fatwas were obtained from official websites of Islamic religious councils, scholarly journals, and publications from Islamic financial authorities. Fatwas were selected based on their relevance to cryptocurrency and their explicit use of the concept of *maṣlaḥa* in the legal reasoning.

Interviews with Islamic scholars: Semi-structured interviews were conducted with scholars and experts in Islamic finance and jurisprudence. These interviews provided further insights into how *maṣlaḥa* was conceptualized and applied in the context of cryptocurrency. The scholars interviewed were chosen based on their expertise in Islamic finance and their involvement in issuing or interpreting fatwas related to financial matters.

Data Analysis

The collected data were analyzed using content analysis and thematic analysis.

Content Analysis of Fatwas: Fatwas were analyzed to identify key themes related to the use of *maṣlaḥa* in determining the permissibility of cryptocurrency. The analysis focused on examining how *maṣlaḥa* was invoked in the legal reasoning and how scholars balanced public interest with other principles of Islamic law, such as the prohibitions on *riba* (interest), *gharar* (excessive uncertainty), and *maysir* (gambling).

Thematic Analysis of Interviews: Interviews with Islamic scholars were transcribed and subjected to thematic analysis. This involved coding the transcripts to identify recurring themes, such as the interpretation of *maṣlaḥa*, the scholars' views on cryptocurrency, and the socio-economic factors influencing the issuance of fatwas in different countries. Thematic patterns were then compared across interviews to gain a deeper understanding of how *maṣlaḥa* was applied in different contexts.

Comparative Case Studies

A comparative case study approach was employed to compare the application of *maṣlaḥa* in different Muslim-majority countries. Three countries were selected for in-depth analysis: Saudi Arabia, Malaysia, and Turkey. These countries were chosen due to their differing approaches to Islamic finance and cryptocurrency regulation. 1) Saudi Arabia: Fatwas from Saudi Arabia were analyzed for their generally conservative interpretation of *maṣlaḥa* and the resulting restrictive rulings on cryptocurrency. 2) Malaysia: Fatwas from Malaysia were analyzed for their progressive use of *maṣlaḥa* in justifying the regulation and limited permissibility of cryptocurrency. 3) Turkey: Turkey's approach was examined for its balanced application of *maṣlaḥa* in considering both the risks and benefits of cryptocurrency.

Results and Discussion

The results of this research are organized into two main sections: an analysis of the fatwas collected on cryptocurrency and the thematic findings from interviews with Islamic scholars. Additionally, the comparative case studies of Saudi Arabia, Malaysia, and Turkey are presented to highlight how *maṣlaḥa* has been applied in different contexts. This chapter also includes tables to summarize the findings and support the analysis.

Content Analysis of Fatwas on Cryptocurrency

The fatwas collected from Saudi Arabia, Malaysia, and Turkey revealed key differences in the application of *maṣlaḥa* in relation to cryptocurrency. A total of 15 fatwas were analyzed (5 from each country), focusing on how *maṣlaḥa* was used in the legal reasoning. The main findings are summarized in **Table 1** below.

Table 1. Summary of Fatwas on Cryptocurrency and the Use of *Maṣlaḥa*

Country	Number of Fatwas Analyzed	Stance on Cryptocurrency	Application of <i>Maṣlaḥa</i>	Key Concerns
Saudi Arabia	5	Prohibited	<i>Maṣlaḥa</i> invoked to prevent harm due to high financial risks and instability	<i>Gharar</i> (uncertainty), <i>maysir</i> (gambling)

Malaysia	5	Permissible with Regulation	<i>Maṣlaḥa</i> invoked to encourage financial innovation while mitigating risks	Public welfare, economic growth
Turkey	5	Permissible with Caution	<i>Maṣlaḥa</i> used to balance economic benefits with risks	Balancing economic stability and public interest

Saudi Arabia

In Saudi Arabia, all five fatwas analyzed strongly prohibited the use of cryptocurrency. The application of *maṣlaḥa* in these fatwas was predominantly framed around the prevention of harm (*darar*) to individuals and the wider economy. Scholars emphasized the volatility and speculative nature of cryptocurrency, categorizing it under *gharar* (excessive uncertainty) and *maysir* (gambling), both of which are prohibited in *shariah*. The scholars argued that allowing cryptocurrency would pose significant risks to financial stability and could encourage illicit activities such as money laundering and fraud. In these fatwas, the primary concern was safeguarding the public from the potential harms of unregulated financial activities, thus prioritizing a conservative interpretation of *maṣlaḥa*.

Malaysia

In Malaysia, the five fatwas analyzed took a more progressive stance, permitting the use of cryptocurrency under specific regulations. Malaysian scholars justified this ruling through the concept of *maṣlaḥa*, emphasizing the public benefits of embracing financial innovation. The fatwas highlighted the potential of cryptocurrency to drive economic growth, promote financial inclusion, and enhance technological advancements. However, the fatwas also included cautionary measures, suggesting the need for regulatory frameworks to ensure that risks such as financial instability, fraud, and speculative behavior were minimized. Malaysian scholars applied *maṣlaḥa* as a tool for balancing the potential benefits of cryptocurrency with the need for safeguarding the public interest.

Turkey

In Turkey, the fatwas reflected a more balanced approach, allowing cryptocurrency with certain restrictions. Similar to Malaysia, Turkish scholars used *maṣlaḥa* to justify the permissibility of cryptocurrency based on its economic benefits, such as technological progress and the diversification of financial tools. However, Turkish scholars also emphasized the need to address risks associated with *gharar* and *maysir*, and they recommended strong regulatory oversight. The fatwas from Turkey suggested a more pragmatic application of *maṣlaḥa*, considering both the economic opportunities and potential harms.

Thematic Analysis of Interviews with Islamic Scholars

Interviews were conducted with seven scholars from Saudi Arabia, Malaysia, and Turkey, providing deeper insights into how *maṣlaḥa* was conceptualized and applied in their respective contexts. The thematic analysis revealed three key themes: the interpretation of *maṣlaḥa*, balancing public interest with Islamic principles, and the role of regulatory frameworks.

Interpretation of *Maṣlaḥa*

Scholars from different countries had varying interpretations of *maṣlaḥa* when it came to cryptocurrency. Saudi scholars viewed *maṣlaḥa* primarily as a means to prevent harm, focusing on the preservation of financial stability and societal welfare. Malaysian and Turkish scholars, on the other hand, saw *maṣlaḥa* as a flexible

tool that allowed for the accommodation of modern financial technologies, provided that sufficient safeguards were in place.

Balancing Public Interest with Islamic Principles

All scholars agreed that balancing public interest with the core principles of Islamic finance, such as the prohibitions on *riba*, *gharar*, and *maysir*, was essential. Saudi scholars leaned more toward a strict interpretation, prioritizing the avoidance of uncertainty and speculative risks. In contrast, Malaysian and Turkish scholars were more open to adopting cryptocurrency, as long as it was regulated in a way that minimized these risks.

Role of Regulatory Frameworks

Regulatory frameworks emerged as a critical factor in the application of *maṣlaḥa*. Scholars from Malaysia and Turkey emphasized that government oversight and regulation were necessary to ensure that the benefits of cryptocurrency could be harnessed without violating Islamic legal principles. They argued that with proper regulation, the risks associated with cryptocurrency could be managed effectively, allowing for its use in an Islamic financial system.

Comparative Case Studies

The comparative analysis of Saudi Arabia, Malaysia, and Turkey revealed significant differences in the application of *maṣlaḥa*, shaped by local economic priorities, political environments, and regulatory capacities. The findings from the case studies are summarized in **Table 2** below.

Table 2. Comparative Analysis of *Maṣlaḥa*-Based Fatwas on Cryptocurrency

Country	Approach to Cryptocurrency	Key Justifications Using <i>Maṣlaḥa</i>	Impact on Policy and Regulation
Saudi Arabia	Prohibited	Emphasis on preventing harm and maintaining financial stability	No regulatory frameworks; outright prohibition
Malaysia	Permissible with Regulation	Promotion of financial innovation and economic growth while mitigating risks	Development of regulatory frameworks for crypto
Turkey	Permissible with Caution	Balancing economic benefits with risks, advocating for strong regulatory oversight	Ongoing regulatory development and cautious approval

The case studies showed that Malaysia and Turkey were more willing to apply *maṣlaḥa* in a progressive manner, allowing for the inclusion of cryptocurrency in the financial system with appropriate regulations. In contrast, Saudi Arabia adopted a more conservative approach, with the primary focus on preventing harm and ensuring compliance with traditional Islamic principles.

Addressing Research Objective 1: The Role of *Maṣlaḥa* in Fatwas on Cryptocurrency

The role of *maṣlaḥa* as a jurisprudential tool is central to the issuance of fatwas on cryptocurrency in Muslim-majority countries. The analysis of fatwas from Saudi Arabia, Malaysia, and Turkey reveals how Islamic scholars apply *maṣlaḥa* to weigh the public interest in regulating cryptocurrencies. This finding is supported by Kismawadi et al. (2023), who argue that *maṣlaḥa* provides jurists with a flexible framework for addressing unprecedented issues in finance, such as cryptocurrency, while maintaining adherence to *shariah*.

Saudi Arabia, as demonstrated in several fatwas, applies a conservative view of *maṣlaḥa*, focusing primarily on the potential harms of cryptocurrencies, such as financial instability, speculation, and association with illicit

activities. Conversely, Malaysia and Turkey adopt a more pragmatic approach by emphasizing the economic benefits of cryptocurrency, such as financial inclusion and technological innovation, provided there are sufficient regulatory safeguards.

Scholars argue that *maṣlaḥa* plays an essential role in Islamic finance by providing a means for *ijtihad* (independent reasoning) in response to contemporary challenges. However, this must be balanced with traditional prohibitions, such as *gharar* (uncertainty) and *riba* (usury), which remain central concerns in Islamic finance.

Addressing Research Objective 2: Application of *Maṣlaḥa* in Different Jurisdictions

The application of *maṣlaḥa* in determining the permissibility of cryptocurrency varies across jurisdictions, reflecting the socio-economic contexts and regulatory frameworks of each country. In Saudi Arabia, the application of *maṣlaḥa* tends to err on the side of caution, reflecting a broader concern for maintaining financial stability and preventing speculative bubbles.

By contrast, Malaysia and Turkey apply *maṣlaḥa* to foster economic growth and financial innovation, provided that regulatory mechanisms are in place to manage the risks associated with cryptocurrency. This is consistent with findings by Raimi & Raimi (2024), who note that *maṣlaḥa* has been used in Malaysia's regulatory landscape to encourage innovation in Islamic finance, particularly in digital currencies and fintech.

In Turkey, scholars have highlighted the potential of cryptocurrency as a driver of economic diversification. Here, *maṣlaḥa* is employed not only to balance public welfare and economic progress but also to align with Turkey's ambitions to position itself as a financial hub for both conventional and Islamic finance (Ozturk, 2022). The same rationale can be seen in Malaysia's growing interest in digital financial services, supported by a robust regulatory environment.

Addressing Research Objective 3: Comparison of *Maṣlaḥa*-Based Fatwas Across Countries

The comparison of *maṣlaḥa*-based fatwas from Saudi Arabia, Malaysia, and Turkey reveals important differences in how the principle is applied across different jurisdictions. In Saudi Arabia, the focus remains on avoiding harm through preventive measures, aligning with classical jurisprudence. By contrast, Malaysia and Turkey are more concerned with maximizing the potential benefits of cryptocurrencies for economic growth and financial inclusion, with the application of *maṣlaḥa* allowing for a more balanced approach.

These findings align with recent studies on the use of *maṣlaḥa* in the regulation of emerging technologies in Islamic finance. As argued by Al-Daghistani (2016), the flexible nature of *maṣlaḥa* allows it to be adapted to different socio-economic contexts, ensuring that Islamic finance remains relevant in modern financial systems. The findings are also consistent with studies by Opwis (2010), who argue that the differences in how *maṣlaḥa* is applied reflect the broader economic priorities of each country, such as Saudi Arabia's focus on financial conservatism and Malaysia's emphasis on innovation.

Addressing Research Question 1: How is *Maṣlaḥa* Used by Islamic Jurists to Assess the Permissibility of Cryptocurrency?

Islamic jurists use *maṣlaḥa* as a key tool for assessing the permissibility of cryptocurrency by weighing its potential benefits against the risks it poses to economic stability and public welfare. In Saudi Arabia, jurists emphasize the risks associated with volatility and speculation, which are seen as inconsistent with the objectives of *shariah*. This approach aligns with recent scholarship that highlights the cautious application of *maṣlaḥa* in financial matters, particularly where there is potential for significant harm.

In Malaysia and Turkey, *maṣlaḥa* is applied more flexibly, with scholars focusing on how cryptocurrencies can enhance economic inclusion, foster innovation, and improve access to financial services. This approach is

consistent with studies by Al-Daghistani (2016), who argue that the application of *maṣlaḥa* in the context of Islamic finance has evolved to accommodate modern economic realities, provided that appropriate safeguards are in place.

Addressing Research Question 2: What Are the Differences in *Maṣlaḥa*-Based Fatwas on Cryptocurrency Between Countries?

The differences in *maṣlaḥa*-based fatwas on cryptocurrency between Saudi Arabia, Malaysia, and Turkey can be attributed to variations in economic priorities, regulatory frameworks, and interpretations of *shariah* law. Saudi Arabia's fatwas reflect a more conservative approach, with an emphasis on preventing harm and maintaining economic stability. This contrasts with Malaysia and Turkey, where *maṣlaḥa* is used to justify the controlled use of cryptocurrency within regulated frameworks, allowing for financial innovation and growth.

The divergence in fatwas is consistent with broader trends in Islamic jurisprudence, where *maṣlaḥa* is applied differently depending on the socio-economic context of each country. As demonstrated by Opwis (2010), Islamic scholars adapt their use of *maṣlaḥa* based on local needs and priorities, resulting in variations in fatwas across jurisdictions.

Addressing Research Question 3: How Do Islamic Scholars Balance Traditional Prohibitions with Financial Innovations Like Cryptocurrency Using *Maṣlaḥa*?

Islamic scholars balance traditional prohibitions, such as *riba*, *gharar*, and *maysir*, with the potential benefits of financial innovations like cryptocurrency by using *maṣlaḥa* to assess whether the benefits outweigh the risks. In Saudi Arabia, the focus is on minimizing risk, with scholars viewing cryptocurrency as inherently speculative and uncertain, making it incompatible with *shariah* principles.

In Malaysia and Turkey, however, scholars take a more balanced view, recognizing the potential benefits of cryptocurrency for economic development while advocating for regulatory mechanisms to mitigate the risks associated with speculation and uncertainty. These findings are in line with research by Talha et al. (2024), who argue that the use of *maṣlaḥa* in Islamic finance allows scholars to integrate new financial technologies into the framework of *shariah* while maintaining ethical standards.

Conclusion

This research aimed to explore the role of *maṣlaḥa* (public interest) in determining fatwas on cryptocurrency in Muslim-majority countries, specifically focusing on Saudi Arabia, Malaysia, and Turkey. Through the analysis of fatwas and interviews with Islamic scholars, the study demonstrated that *maṣlaḥa* plays a pivotal role in shaping Islamic legal rulings on cryptocurrency, although its application varies significantly across different jurisdictions. In Saudi Arabia, a conservative interpretation of *maṣlaḥa* emphasizes the prevention of harm, particularly regarding financial instability and speculative risks. This has resulted in fatwas prohibiting cryptocurrency due to concerns about its alignment with traditional Islamic principles, such as the prohibitions on *riba*, *gharar*, and *maysir*. In contrast, Malaysia and Turkey have adopted more progressive interpretations of *maṣlaḥa*, allowing for the regulated use of cryptocurrency. These countries view cryptocurrency as an opportunity to foster economic growth and financial inclusion, provided that appropriate safeguards are in place to mitigate risks.

The research further highlighted how local economic priorities, political environments, and regulatory frameworks influence the application of *maṣlaḥa*. While Saudi Arabia's conservative approach reflects its broader economic conservatism, Malaysia and Turkey's more flexible stances align with their goals of promoting financial innovation within Islamic guidelines. The study also demonstrated that the principle of *maṣlaḥa* provides Islamic scholars with a flexible tool for navigating the complexities of modern financial technologies like cryptocurrency while maintaining adherence to core Islamic legal principles. *Maṣlaḥa* is an

essential tool in the evolution of Islamic jurisprudence in response to contemporary financial innovations. However, its application is shaped by local contexts, making it a dynamic and context-dependent principle that allows Islamic law to remain relevant in an increasingly digital financial landscape. The findings of this study have important implications for policymakers, regulators, and Islamic scholars seeking to balance financial innovation with ethical and religious considerations in the context of cryptocurrency.

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