

E-MONEY: AN ISLAMIC PERSPECTIVE

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Abstract: This study aims to find out and explain the definition, history and law in Islam towards e-money as a means of payment, as well as the positive and negative impacts of using e-money itself. The research method used is a qualitative method. The research approach used is the study literature review approach, which is a method that identifies and evaluates research results and ideas that have been produced by researchers and practitioners. The literature method comes from various sources, such as books and journal articles. The results of this study know that the law of using e-money in an Islamic perspective as a means of payment is halal or permissible.

Keywords: E-Money, History of E-Money, Impact of E-Money, Laws of E-Money

Introduction

With the development of advances in digital technology, most people's lifestyles have changed from rural to urban areas. One of the digital technologies whose development is very visible is smart telephone devices or smartphones. Anywhere, anytime, and anyone will use smartphones as a tool to interact and communicate, both via mobile and social media. Indonesia itself is one of the countries that has rapid digital technology growth in the Southeast Asia region. One of the activities in the economy besides buying and selling is payment. With current technological advances, people are familiar with digital payment technology or what is usually called E-Money (Electronic Money).

E-Money emerged as a new innovation by offering several conveniences that people need. The payment process using E-Money for micro transactions seems faster, more efficient and safer. According to Veithzal Rivai in his book entitled "*Banks and Financial Institutions Management*" in 2007, electronic money is payment an instrument obtained after depositing a certain amount of money with the issuer first, either directly, the issuing agent, or through debiting an account at a bank and the value of the money is entered into electronic money media and expressed in rupiah units, this can be used for transactions that directly reduce the value of the money which is owned.

The development of E- money itself began in 1960. At that time, the giant computer company IBM collaborated with American Airlines to create a system called SABER (Semi-Automatic Business Research Environment) which allows American Airlines offices to be installed with terminals connected to a telephone network that allows the company to directly check departure schedules, seat availability, and digitally create orders that can then be paid using a credit system. In the 1970s, banks in America and Europe used mainframe computers to track transactions between branches and other banks. This system proved successful in bypassing the required international exchange rate restrictions.

Inseparable from Muslim society, technological developments also really help Muslims to carry out their worship and obligations. However, the use of E-Money in Muslim communities still raises questions about how it is implemented according to Islamic sharia. As is known, Islam is a complete and universal religion, clearly viewing things as halal or haram . So, is E-Money halal? Or haram? Can Muslim communities use E-Money as a means of payment to make transactions easier? According to the results of previous research, there are those who conclude that the use of E-Money is halal or permissible and there are also those who conclude that it is not permissible, here is what previous researchers said:

- a. From an Islamic sharia perspective, E-Money law is halal or permissible. This halal law is based on the following rules: (1) Every transaction in muamalah is basically permissible unless there is an argument that forbids it, at which point the law changes to become haram. Therefore, electronic money must meet the criteria and conditions in accordance with sharia principles, (2) There is a demand for human needs for electronic money, and consideration of the many benefits contained in it (Mufidah & Kurniawan, nd) .
- b. The application of E-Money still contains ribawi elements . This is because: (1) The contract between the parties involved is unclear (gharar) and the rights and obligations of the parties involved are not known. (2) Interest in placing E-Money funds is in conventional banks that are E-Money issuing partners or non-banks. Because the issuer is not an institution other than a bank, the funds managed must be placed in a commercial bank that has collaboration with the issuer in the form of a savings account in the form of savings or deposits. So the card owner's participation and savings in a conventional bank account will result in interest. (Sahroni, 2017)
- c. The use of discounts in E-Money is considered usury. It is assumed that when refilling or what is often known as 'top- up ' is considered to be 'lending' money to the E-Money issuer. The existence of this discount is considered a 'benefit' in Qard contracts , aka accounts payable or money lending and borrowing contracts. According to sharia provisions, there must be no benefit in a loan agreement, where the benefit referred to here is the excess loan money. (Akmal et al., 2020)

Method

The method used in this research is a qualitative method, referred to as a research method whose findings are not obtained through statistical procedures or other forms of calculation. Qualitative research is a type of research that makes the researcher very dependent on information from objects or participants in a broad scope, questions that are general in nature, collecting data mostly from texts or participants' words, and explaining and analyzing the collected texts subjectively.

The research approach used is literature research reviews . Literature A review is a type of research that identifies and evaluates research works and ideas that have been produced by researchers and practitioners.

Result and Discussion

Definition of E-Money

E-Money is often called Electronic Cash E , Digital Money, Digital Cash, Electronic Currency, or Digital Currency. The Bank for International Settlement (BIS) in one of its publications in October 1996 defined electronic money as stored-value or prepaid products in which a record of the funds or value available to a consumer is stored on an electronic device in the consumer's possession (product with stored value or prepaid where a record of the funds or value available to the consumer is stored on an electronic device owned by the consumer) .

According to Bank Indonesia Regulation Number: 11/12/PBI/2009 Concerning Electronic Money, E-Money is a payment instrument that meets the elements, namely being issued on the basis of the value of the money deposited in advance by the holder to the issuer, the value of the money is stored electronically in a media such as *servers* or *chips*, are used as a means of payment to traders who are not issuers of electronic money, and the value of electronic money deposited by the holder and managed by the issuer is not a deposit as intended in the law governing banking (Bank Indonesia, 2009).

above understanding, it can be concluded that the definition of E-Money is a payment or transaction tool that is used electronically and is useful for storing money and is used as a payment transaction tool, where previously a certain amount of money is deposited first with the E-Money issuer.

History of E-Money

In 1960 the computer company International Business Machines collaborated with American Airlines to create a system called Semi- Automatic Business Research Environment (SABER). Its purpose was to connect telephone network terminals to American Airlines offices. By connecting this system, it is also possible to check departures and seat availability on planes online. All transactions can be paid using a credit card.

In 1970, banks in America and Europe used mainframes computers to be able to track transactions at each branch and other banks. This system is considered successful, because it can cross international borders according to the required exchange rate.

In 1983, a computer scientist and cryptographer named David Chaum succeeded in putting forward his idea about digital money. This idea was outlined in research the paper he made to realize his idea. David created many cryptographic protocols until he discovered DigiCash. The company stands to recommend David's idea.

In 1990, Amsterdam was the place where " DigiCash " was first founded. The company uses a system called " cash ". This electronic money has the same characteristics as real money, and above all, it is an anonymous medium of exchange due to various protection mechanisms, but unlike paper money. The advantage of this system is that it does not require additional paper equipment, the system can be used directly from the computer. The disadvantage of this system is that the data that requires "money" is stored on the user's computer, so that if the user formats the drive, he will lose his electronic money. In addition, to increase the implementation of this system, it is necessary to include more financial institutions that will accept "cash". Due to these restrictions, the company declared bankruptcy in 1998.

In 1997, the Coca-Cola company offered vending transactions for the first time machine with mobile payment. After that, a company emerged that used E-Money services, namely Paypal. The presence of Paypal makes electronic money increasingly popular today.

In 2008, Bitcoin appeared as a separate exchange rate for digital money.

History of the Development of E-Money in Indonesia

E-Money was first released in Indonesia in 2009. This was marked by the publication of Bank Indonesia Regulation No. 11/12/PBI/2009 on April 13 2009 which contains Electronic Money by Bank Indonesia. The first financial institution to provide E-Money was BCA Bank. BCA Bank issues BCA Flazz in the form of a card. Flazz BCA is one of the oldest forms of E-Money. True Money is one of the first sharia E-Money in Indonesia which has received recognition from the MUI National Sharia Council. More than 37 E-Money have been circulating in Indonesia. The number of E-Money in circulation as of November 2017 reached 113 million instruments in the form of E-Money or E- Wallet. This number will continue to increase following increasingly developing digital technology.

Positive and Negative Impacts of Using E-Money

E-Money with its digitalization innovation has had positive and negative impacts on society as its users. Users can easily feel the benefits of E-Money because payment transactions become simpler, more efficient and feel safer. Ease of use is not only felt by consumers when using E-Money, but also when they first carry out activities using E-Money. Ease of use can reduce the effort, time and energy of users, and the use of E-Money is supported by data, this creates confidence in a person when using E-Money. This trust makes users reduce social complexity in the face of undesirable possibilities, the higher the trust that users have, the less uncomfortable they feel about the risks that may arise. The existence of E-Money will encourage the emergence of *cashless society* namely, the use of electronic money will suppress or even eliminate the circulation of counterfeit money. The more benefits felt by the user, indicated by the greater fulfillment of the user's needs, the greater the positive perception towards the use of E-Money.

The ease of carrying out transactions using a mobile phone makes it easy for users to be able to carry out transactions anywhere and at any time. This allows E-Money users to easily spend money, without them realizing that shopping using E-Money is more wasteful. E-Money cannot be used everywhere, because it can only be used at *merchants* which has collaborated with electronic money issuers. E-Money is an internet-based system, so when making a transaction the user's cell phone signal must be stable, because transaction failure due to the signal can cause new problems. Cases of fraud in the name of E-Money providers cannot be avoided, this has a negative impact on the use of E-Money. Apart from that, when an electronic money card or cell phone is lost or stolen, the nominal value of the electronic money cannot be saved automatically, because the funds are completely in the control of the thief if there is no online authorization or PIN.

Electronic Money from an Islamic View

Based on the arguments of the Qur'an that apply to Electronic Money from an Islamic perspective, namely Surah An-Nisa : 29:

يَا أَيُّهَا الَّذِينَ ءَامَنُوا لَا تَأْكُلُوا أَمْوَالَكُمْ بَيْنَكُمْ بِالْبَاطِلِ إِلَّا أَنْ تَكُونَ تِجَارَةً عَن تَرَاضٍ مِّنكُمْ وَلَا تَقْتُلُوا
أَنْفُسَكُمْ إِنَّ اللَّهَ كَانَ بِكُمْ رَحِيمًا

Meaning: “O you who have believed, do not consume one another's wealth unjustly but only [in lawful] business by mutual consent. And do not kill yourselves [or one another]. Indeed, Allāh is to you ever Merciful”.

The National Sharia Council of the Indonesian Ulema Council has issued a fatwa relating to electronic money, and stated that the law on electronic money is basically permissible provided that the following conditions are met :

1. Electronic money (E-Money) is a means of payment that meets the following elements:
 - a. Issued on the basis of the nominal amount of money deposited in advance to the issuer .
 - b. The nominal amount of money is stored electronically in a registered medium .
 - c. The nominal amount of electronic money managed by the issuer is not a deposit as intended in the law governing banking .
 - d. Used as a means of payment to traders who are not issuers of electronic money.
2. Sharia electronic money is electronic money that complies with sharia principles.

Buying and selling transactions are permitted, at least if they do not contain the following elements : (1) Maysir (gambling) , in an economic context, maysir or gambling also means speculation, or chance. In the Koran, the prohibition on Maysir (gambling) is found in Surah Al-Maidah verse 90. (2) Riba , linguistically means addition (ziyadah). In sharia terms, riba is defined as an addition to certain goods. (3) G hara r, according to the terminology of ba ' i al-gharar is every contract buying and selling containing risk or danger to one of the parties, potentially causing financial loss. This is because there is doubt in the object of clarity.

Electronic money transactions can also be traced through the contract, which according to language can be interpreted as joining the ends of something and binding them, his opponent is al-hillu (release), Also means to strengthen something and strengthen it. Contract can also be interpreted as a connection. The meaning of the word connection is the connection that holds the two together that end and tie it up.

In the ijab qabul there are several conditions that must be fulfilled, fiqh scholars write them as follows :

1. There is clarity of intent between both parties, for example : " I hand over this thing to you as a gift or gift."
2. There is conformity between consent and qabul.
3. The existence of a contract panel and the existence of an agreement between the two parties, does not indicate rejection and cancellation of both. Describes sincerity will from parties concerned, not forced to do so, and not because he was threatened or frightened by other people because in mua ' instead have to let each other go.

In the E-Money mechanism there are several related contracts, but the contract is used between the issuer and the holder is contract wadi'ah and qardh contracts . A wadi'ah contract is a contract that occurs when a prospective holder of electronic money hands over a certain amount of money to the issuer with the intention of entrusting it and then the money is converted into electronic money worth the money handed over . Meanwhile, the qardh contract has provisions as following :

1. The nominal amount of electronic money is in the form of debt that can be withdrawn and can be used by the holder at any time .
2. Issuers can use (invest) debt money from electronic money holders .
3. The issuer is obliged to return the principal amount of the electronic money holder's receivables at any time according to the agreement .
4. The relevant authorities are obliged to limit issuers in the use of loan funds (debt) from card holders (float funds) .
5. The use of funds by the issuer must not conflict with sharia principles and statutory regulations.

The National Sharia Council (DSN) fatwa regarding electronic money explains that electronic money is allowed to be used as a means of payment provided that fees are charged facility services must be real costs, (to support the process smooth administration of electronic money) and must be conveyed to the card holder correctly (according to sharia and applicable laws and regulations) with the principle of ta'widh (compensation).

Conclusion

E-Money is a payment or transaction tool that is used electronically and is useful for storing money and is used as a payment transaction tool, where previously a certain amount of money is deposited first with the E-Money issuer. The use of modern technology as a means of non-cash payment which has developed rapidly in the general public, especially the Muslim community, considers E-Money to have many benefits to facilitate the implementation of human activities, apart from that, it also views E-Money as the same as a means of payment in general because it has a function as a means of payment. on goods buying and selling transactions. Based on the basic rules, *every muamalah transaction is basically permissible unless there is an argument that forbids it, then at that time the law changes to haram*, it can be concluded that the Law on Using E-Money from an Islamic Perspective is halal or permissible. However, when using it, you must still pay attention to the terms and conditions that apply according to the Sharia Economic Laws View.

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