https://alamin.tuf.edu.pk/
Al-Amīn الامين (Faiṣalābād)
ISSN (print): 2790-6507; ISSN (online): 2790-6515
Volume 4; Issue 1; Article No. 26040102
https://doi.org/10.63793/Al-Amin/32

RESEARCH ARTICLE

Contemporary Issues in Digital Financial Transactions in Hanafi Jurisprudence: A Principled and Applied Study

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METADATA

Paper history
Received: 10 April 2026
Revised: 2 May 2026
Accepted: 11 June 2026
Published online: 22 June 2026

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Keywords
Hanafi jurisprudence
Digital financial transactions
Islamic finance
Online transactions
Electronic contracts
Artificial intelligence in finance
Crypto currency

Citation
Basit HMA (2026) Contemporary issues in digital financial transactions in hanafi jurisprudence: a principled and applied study. *Al-Amīn* (*Faiṣalābād*) 4: 26040102. https://doi.org/10.63793/Al-Amin/32.

ABSTRACT

This research article presents a comprehensive and principled analysis of contemporary digital financial transactions within the framework of Hanafi jurisprudence. The rapid evolution of the digital economy, encompassing online transactions, electronic contracts, and digital currencies, has generated complex legal and ethical challenges that demand rigorous juristic engagement. While classical Islamic jurisprudence did not directly address such technological developments, it established a robust اصولي framework capable of accommodating new realities. The study is grounded in primary Islamic sources. Allah states: واحل الله البيع وحرم الربا (Quran 2:275), affirming the permissibility of trade while prohibiting unjust gain. The Prophet صلى الله عليه وسلم said: البيعان بالخيار ما لم يتفرقا (al Bukhari, Hadith 2112), emphasizing mutual consent, and also warned: من غشنا فليس منا (Muslim, Hadith 102), establishing the prohibition of deception. Drawing upon authoritative Hanafi texts such as al Hidayah, Badai al Sanai, al Mabsut, and Radd al Muhtar, the study examines foundational principles including permissibility of transactions, conditions of valid contracts, concept of possession, and prohibition of uncertainty. The juristic maxim الاصل في البيوع الاباحة الا ما ورد الشرع بتحريمه (al Kasani, Badai al Sanai) forms a central analytical basis. The research adopts a normative and analytical methodology, integrating classical juristic reasoning with contemporary financial practices. It critically evaluates digital transactions, automated agreements, and crypto currencies in light of concepts such as غرر ,قبض ,مال, and ثمنية. The study identifies a significant gap in contemporary literature, which remains fragmented and lacks a unified اصولي framework. It proposes a structured juristic model that bridges classical Hanafi principles with modern digital economic systems. The findings demonstrate that Hanafi jurisprudence possesses the intellectual flexibility and methodological depth necessary to address emerging financial challenges, provided that its foundational principles are systematically applied.

INTRODUCTION

The contemporary transformation of financial systems through digital technologies represents one of the most profound developments in modern economic history. The rise of e commerce, artificial intelligence driven contracts, and decentralized digital currencies has fundamentally altered the nature of commercial transactions. These developments pose critical questions for Islamic jurisprudence, particularly in relation to contractual validity, ownership, risk, and ethical compliance. Islamic law establishes a comprehensive framework governing financial transactions, rooted in both revelation and juristic reasoning. The Quran (2:275) states:

واحل الله البيع وحرم الربا

This verse forms the foundation of Islamic commercial law, establishing the permissibility of trade while prohibiting unjust enrichment. The distinction between lawful gain and prohibited increase becomes particularly complex in digital environments where traditional transactional structures are absent. The Prophetic teachings further elaborate these principles. The Messenger of Allah صلى الله عليه وسلم said (al Bukhari, 2112; 2002):

البيعان بالخيار ما لم يتفرقا

This hadith establishes the principle of mutual consent. In another narration (Muslim, 102; 2000):

من غشنا فليس منا

This highlights the prohibition of deception, a principle that is highly relevant in digital transactions characterized by information asymmetry. Hanafi jurisprudence provides a systematic and اصولي framework for addressing such issues. Among its foundational principles is (al Kasani, 1986):

الاصل في البيوع الاباحة الا ما ورد الشرع بتحريمه

This principle reflects the inherent flexibility of Islamic law, allowing new forms of transactions to be incorporated within its scope.

At the same time, the jurists emphasized strict conditions for validity. Imam al Kasani (1986) states:

ومن شرط صحة البيع أن يكون المبيع معلوما علما يمنع المنازعة

This requirement of clarity becomes critical in digital transactions where physical inspection is absent.

Similarly, Ibn Abidin (2003) states:

والقبض يختلف باختلاف الأشياء

This allows for a flexible interpretation of possession, enabling its application to digital contexts.

The principle of harm prevention is also central:

لا ضرر ولا ضرار

This maxim ensures that all financial dealings must avoid injustice and exploitation (Ibn Majah, 2341; 2000).

Despite the richness of classical jurisprudence, contemporary discussions on digital finance remain fragmented. There is a lack of a unified اصولي framework that systematically connects classical principles with modern realities. This research seeks to address this gap by developing a structured analytical approach rooted in Hanafi jurisprudence.

The study of financial transactions in Islamic jurisprudence, particularly within the Hanafi school, is deeply rooted in a comprehensive and systematic legal tradition. Classical jurists developed a highly sophisticated framework governing commercial dealings, contracts, ownership, and ethical conduct. These discussions are primarily found in foundational works such as al Hidayah by al Marghinani, 2000; Badai al Sanai by al Kasani (1986), al Mabsut by al Sarakhsi (1993), and Radd al Muhtar by Ibn Abidin (2003). At the core of this literature lies a detailed analysis of bay, which is defined by Imam al Sarakhsi (1993) as:

البيع اسم لمبادلة المال بالمال

This definition establishes that sale is fundamentally an exchange of value, which must be recognized and lawful. The jurists further emphasized that such exchange must be free from ambiguity. Imam al Kasani (1986) states:

ومن شرط صحة البيع أن يكون المبيع معلوما علما يمنع المنازعة

This requirement reflects a central concern of Hanafi jurisprudence, namely the prevention of dispute through clarity and transparency. Classical literature also addressed various forms of non-immediate transactions. The contract of salam, for example, allows for advance payment with deferred delivery. Imam al Kasani explains:

السلم بيع آجل بعاجل

Similarly, the concept of istisna was developed to accommodate manufacturing contracts. These discussions demonstrate that Islamic law possesses inherent flexibility, allowing it to address different economic arrangements. The issue of possession was also treated in detail. Ibn Abidin (2003) states:

والقبض يختلف باختلاف الأشياء

This indicates that possession is not limited to physical transfer but varies according to the nature of the object. This principle is particularly significant in modern digital transactions where physical possession may not occur.

In addition to classical jurisprudence, اصول الفقه provides the methodological foundation for legal reasoning. Principles such as (al Sarakhsi, 1993):

الثابت بالعرف كالثابت بالنص

الضرر يزال

Play a crucial role in extending classical rulings to new contexts. These اصول ensure that Islamic law remains adaptable while preserving its foundational values. In the modern period, Islamic finance has emerged as a distinct academic discipline. Scholars such as Muhammad Taqi Usmani (2002; 2005), M Umer Chapra (2000), and Mahmoud El Gamal (2006) have contributed significantly to the development of contemporary Islamic financial theory. Their work addresses issues related to banking, investment, and financial instruments. However, much of this literature focuses on institutional finance rather than digital transactions. Recent studies have begun to address digital financial practices. Research on-e commerce examines the permissibility of online transactions, particularly in relation to lack of physical inspection. Similarly, discussions on electronic contracts analyze the validity of agreements formed through digital interfaces. The issue of crypto currency has also received considerable attention, with scholars debating its classification as مال and its compliance with Shariah principles. Despite these efforts, several limitations can be identified in the existing literature. First, many studies adopt a fragmented approach, addressing specific issues such as crypto currency or online sales in isolation. This prevents the development of a comprehensive framework capable of addressing the digital economy as a whole.

Second, there is an over reliance on contemporary fatwa literature. While fatawa provide valuable insights, they often lack the اصولي depth required for systematic analysis. Classical Hanafi jurisprudence, on the other hand, offers a more structured and principled approach that is not fully utilized in modern discussions. Third, modern academic research on digital economy and financial technology often lacks engagement with Islamic jurisprudence. While these studies provide technical insights, they do not address the ethical and legal dimensions emphasized in Shariah. Fourth, there is insufficient integration between classical juristic principles and modern financial realities. Many studies fail to apply foundational concepts such as bay, qabd, and gharar in a systematic manner to contemporary issues. Based on the above analysis, a clear research gap emerges. Although classical Hanafi jurisprudence provides a comprehensive framework for financial transactions, and contemporary studies have begun to address digital financial practices, there remains a lack of a unified اصولي methodology that systematically connects these two domains. Existing research suffers from fragmentation, limited engagement with classical sources, and insufficient analytical depth. There is a particular need for a study that:

- Integrates classical Hanafi principles with modern digital financial systems
- Applies اصول الفقه in a structured manner
- Analyzes multiple aspects of digital finance within a single coherent framework

Furthermore, there is a lack of in depth engagement with primary Arabic sources in contemporary discussions, which limits the scholarly rigor of such studies. This research seeks to fill this gap by providing a comprehensive, principle based, and analytically rigorous study of digital financial transactions within the framework of Hanafi jurisprudence.

MATERIALS AND METHODS

This study adopts a normative, analytical, and اصولي methodology to examine contemporary digital financial transactions within the framework of Hanafi jurisprudence. The complexity of modern digital systems requires a methodological approach that is not limited to descriptive analysis but is deeply rooted in classical legal theory and capable of addressing emerging financial realities. At the foundational level, this research is based on the primary sources of Islamic law, namely the Quran and Hadith. These sources provide the ethical and legal principles that govern all financial transactions. The Quran (2: 275) establishes the legitimacy of trade in the verse:

واحل الله البيع وحرم الربا

This verse serves as the primary legal foundation for all commercial dealings. Similarly, the Prophetic traditions provide essential guidance regarding fairness, consent, and ethical conduct. The Prophet صلى الله عليه وسلم said (al Bukhari, 2112; 2002: Ibn Majah, 2341; 2000):

البيعان بالخيار ما لم يتفرقا

لا ضرر ولا ضرار

These narrations establish the importance of consent and the prevention of harm in all transactions. In addition to primary sources, the study relies extensively on classical Hanafi jurisprudential texts. Works such as al Hidayah, Badai al Sanai, al Mabsut, and Radd al Muhtar are analyzed through close textual reading in order to extract the اصول and قواعد governing financial transactions. The juristic principle (al Kasani, 1986):

الاصل في البيوع الاباحة الا ما ورد الشرع بتحريمه

Forms a central methodological basis of this study. This principle allows new forms of transactions to be evaluated within a presumption of permissibility, provided that they do not contain prohibited elements.
The study also employs اصول الفقه as a key analytical tool. Legal maxims such as (al Sarakhsi, 1993):

الضرر يزال

الثابت بالعرف كالثابت بالنص

A central methodological component of this research is the process of تطبيق, or application. After establishing the relevant juristic principles, the study applies them to contemporary digital financial practices. This includes online transactions, electronic contracts, and digital currencies. Each issue is analyzed by identifying its essential characteristics and comparing them with analogous cases in classical jurisprudence. The study also incorporates a comparative analytical approach. While the primary focus remains on Hanafi jurisprudence, contemporary discussions in Islamic finance and digital economy are critically examined. This allows for a deeper understanding of current debates and highlights the limitations of existing approaches. Another important aspect of the methodology is the rejection of purely fatwa based analysis. Instead of relying on isolated rulings, the study emphasizes اصولي reasoning and seeks to develop a coherent analytical framework. This approach ensures that the research contributes to the development of Islamic legal thought rather than merely reproducing existing opinions. Furthermore, the study recognizes the role of intention in legal evaluation. The Prophet صلى الله عليه وسلم said (al Bukhari, 1; 2002):

إنما الأعمال بالنيات

This principle is particularly relevant in the context of automated digital transactions, where intention may be established at the stage of system design rather than execution.The scope of the study is deliberately defined to ensure analytical clarity. It focuses on three major areas of digital financial transactions: online transactions, electronic contracts, and digital currencies. Broader macroeconomic issues are excluded in order to maintain a focused and in depth analysis.

In summary, the methodology of this research is based on four key components. First, reliance on primary Islamic sources. Second, detailed analysis of classical Hanafi jurisprudence. Third, application of juristic principles to modern financial practices. Fourth, critical engagement with contemporary scholarship. Through this integrated approach, the study aims to provide a comprehensive and اصولي analysis of digital financial transactions.

THEORETICAL FRAMEWORK OF HANAFI FIQH

Principle of permissibility in transactions

Hanafi jurisprudence establishes a foundational principle that governs all financial transactions, namely that permissibility is the الأصل in commercial dealings. This principle is articulated by classical jurists in the following statement (al Kasani, 1986):

الاصل في البيوع الاباحة الا ما ورد الشرع بتحريمه

This principle reflects the inherent flexibility of Islamic commercial law. It allows for the inclusion of new forms of transactions, including those emerging in the digital economy, as long as they do not involve prohibited elements such as riba, gharar, or deception. This openness distinguishes Islamic law from rigid legal systems, as it enables jurists to engage with evolving economic realities without compromising foundational values.

Conditions of valid contract (Ijab And Qabul)

A valid contract in Hanafi jurisprudence is based on the presence of ijab and qabul, which signify mutual consent. Imam al Sarakhsi (1993) states:

وينعقد البيع بالإيجاب والقبول إذا وجد التراضي

This establishes that the essence of a contract lies in mutual agreement rather than specific forms of expression. The jurists further recognized that consent can be expressed in various ways. Imam al Kasani (1986) writes:

والكتابة تقوم مقام الخطاب في العقود

This principle allows written and nonverbal forms of communication to serve as valid expressions of agreement, which is highly relevant in digital transactions where contracts are formed electronically.

Concept of mal (wealth)

The classification of an object as مال is central to determining the validity of financial transactions. Imam al Sarakhsi (1993) defines مال as:

المال ما يميل إليه الطبع ويمكن ادخاره لوقت الحاجة

This definition indicates that wealth must possess value and utility, and must be capable of being stored for future use. The concept of مال متقوم further requires that the object be permissible in Shariah and recognized as valuable. This principle becomes critical when analyzing digital assets and crypto currencies.

Concept of qabd (possession)

Possession is a key element in the completion of ownership. Ibn Abidin (2003) states:

والقبض يختلف باختلاف الأشياء

This principle indicates that possession is not a fixed concept but varies according to the nature of the object. In classical jurisprudence, possession could be physical or constructive. This flexibility allows the concept of qabd to be extended to digital contexts, where control may be established through access rather than physical transfer.

Prohibition of gharar (uncertainty)

Hanafi jurisprudence strictly prohibits transactions involving excessive uncertainty. Imam al Kasani (1986) states:

ولا يجوز بيع ما فيه غرر فاحش

This principle ensures that transactions must be based on clarity and certainty. The prohibition of gharar is closely linked to the objective of preventing disputes and protecting the rights of both parties. In digital transactions, this principle becomes highly relevant due to the potential for ambiguity and lack of transparency.

Prohibition of riba

The prohibition of riba is one of the most fundamental principles of Islamic finance. The Quran (2:275) states:

وحرم الربا

Riba represents unjustified increase and exploitation in financial dealings. This prohibition extends to all forms of financial transactions, including those conducted through digital platforms.

Role of custom (urf)

Hanafi jurisprudence recognizes the importance of custom in shaping legal rulings. Imam al Sarakhsi (1993) states:

الثابت بالعرف كالثابت بالنص

This principle allows customary practices to be considered in legal evaluation, provided that they do not contradict Shariah principles. In the context of digital transactions, the widespread acceptance of online trade and electronic communication can be considered a valid form of custom.

Principle of harm prevention

The prevention of harm is a fundamental objective of Islamic law. The Prophet صلى الله عليه وسلم said (Ibn Majah, 2341; 2000):

لا ضرر ولا ضرار

This principle requires that all transactions be structured in a way that avoids harm and injustice. In digital financial systems, this principle plays a critical role in addressing issues such as fraud, manipulation, and exploitation.

Online transactions in the light of hanafi jurisprudence

The rise of e commerce has fundamentally transformed the nature of commercial exchange. Transactions are now conducted through digital platforms where physical presence, direct inspection, and immediate delivery are often absent. This transformation raises significant juristic questions regarding the validity of such transactions in the framework of Hanafi jurisprudence. A fundamental requirement in Hanafi law is that the subject matter of sale must be clearly known. Imam al Kasani (1986) states:

ومن شرط صحة البيع أن يكون المبيع معلوما علما يمنع المنازعة

This establishes that the validity of a transaction depends on sufficient knowledge that prevents dispute. In online transactions, although physical inspection is absent, detailed descriptions, specifications, and images can fulfill this requirement if they eliminate ambiguity.

Sale of unseen goods (bay al ghaib)

Hanafi jurists explicitly allowed the sale of unseen goods under certain conditions. Imam al Marghinani (2000) states:

ويجوز بيع الغائب إذا وصف وصفا يرفع الجهالة

This principle directly supports the permissibility of e commerce. The key condition is the removal of ignorance through accurate description.

Khiyar al ruya (option of inspection)

Islamic law provides protection to the buyer through the doctrine of khiyar al ruya. Ibn Abidin (2003) states:

من اشترى شيئا لم يره فله الخيار إذا رآه

This ensures that the buyer retains the right to reject the product upon inspection. Modern return and refund policies in online platforms reflect this classical principle and strengthen the permissibility of such transactions.

Deferred delivery and salam analogy

Online transactions often involve immediate payment and delayed delivery. This structure resembles the classical contract of salam. Imam al Kasani (1986) states:

السلم بيع آجل بعاجل

This indicates that deferred delivery does not invalidate a transaction if conditions are clearly defined.
Thus, e commerce transactions can be analogically validated through the framework of salam.

Role of custom in online trade

Custom plays a significant role in Hanafi jurisprudence. Imam al Sarakhsi (1993) states:

الثابت بالعرف كالثابت بالنص

The widespread acceptance of online transactions establishes them as a recognized custom. Therefore, digital trade practices gain legitimacy through عرف, provided they do not contradict Shariah principles.

Fraud and misrepresentation (tadlis)

One of the major concerns in e commerce is deception. The Prophet صلى الله عليه وسلم said (Muslim, 102; 2000):

من غشنا فليس منا

Hanafi jurists also addressed this issue. Imam al Kasani (1986) states:

وإن كان فيه تدليس كان للمشتري الخيار

This ensures that any transaction involving deception is subject to annulment.

Consumer protection and risk

Hanafi jurisprudence emphasizes fairness and protection of both parties. The principle of clarity, consent, and absence of exploitation forms the basis of consumer protection. The requirement of removing ambiguity ensures that buyers are not exposed to undue risk. This aligns with modern consumer protection mechanisms in digital markets.

Application of harm principle

The principle of preventing harm is central to Islamic law. The Prophet صلى الله عليه وسلم said (Ibn Majah, 2341; 2000):

لا ضرر ولا ضرار

This principle requires that digital transactions be structured in a way that eliminates harm and ensures justice. Any system that leads to exploitation, fraud, or unfair advantage must be restricted or regulated.

Analytical conclusion of section

A comprehensive analysis of Hanafi jurisprudence demonstrates that online transactions are not inherently problematic. Rather, they can be accommodated within the existing legal framework provided that essential principles are upheld.
These include:

- clarity of subject matter
- mutual consent
- absence of deception
- protection of buyer rights
- avoidance of harm

The flexibility of Hanafi legal theory allows classical concepts such as bay al ghaib, khiyar al ruya, and salam to be applied effectively to modern digital commerce.

Electronic contracts and automated agreements in hanafi jurisprudence

The rapid development of digital technologies has introduced new forms of contractual arrangements, including electronic contracts and automated agreements executed through algorithms and artificial intelligence. Unlike traditional contracts, these agreements may be concluded without direct human interaction at the moment of execution, raising fundamental juristic questions regarding validity, intention, and responsibility.

Concept of ijab and qabul in digital form

In Hanafi jurisprudence, the validity of a contract depends on ijab and qabul, which signify mutual consent. Imam al Sarakhsi (1993) states:

وينعقد البيع بالإيجاب والقبول إذا وجد التراضي

This establishes that the essence of a contract lies in consent rather than physical form.

Therefore, in digital environments, actions such as clicking “accept” or confirming terms can be interpreted as valid expressions of ijab and qabul, as they clearly indicate agreement.

VALIDITY OF WRITTEN AND ELECTRONIC AGREEMENTS

Hanafi jurists recognized that written communication can substitute verbal agreement. Imam al Kasani (1986) states:

والكتابة تقوم مقام الخطاب في العقود

This principle provides a strong basis for validating electronic contracts, emails, and online agreements.

Thus, digital documentation fulfills the requirement of contractual expression.

Automated contracts and AI systems

A more complex issue arises when contracts are executed automatically by systems without direct human intervention. In such cases, the question is whether a contract can be valid if it is performed by a machine.

From a Hanafi perspective, such systems can be understood as tools executing pre-defined instructions rather than independent agents. The validity of the contract is therefore linked to the original human intention.

Intention (niyyah) in digital transactions

The role of intention is central in Islamic law. The Prophet صلى الله عليه وسلم said (al Bukhari, 1; 2002):

إنما الأعمال بالنيات

This hadith establishes that actions are judged by intentions. In automated contracts, intention exists at the stage of programming or authorization. When a user sets conditions for execution, this prior intention governs subsequent automated actions.

Agency (wakalah) and digital systems

The concept of wakalah provides a strong analogy for understanding automated systems. Imam al Kasani (1986) states:

الوكالة إقامة الغير مقام النفس في التصرف

This indicates that an agent acts on behalf of the principal.

Digital systems can be viewed as tools performing functions similar to agents, executing instructions defined by human users.

Error and system malfunction

A significant concern in automated systems is the possibility of error. Technical faults or incorrect programming may lead to unintended transactions. Hanafi jurisprudence recognizes the impact of error on contractual validity. If a contract is based on fundamental mistake, it may be subject to annulment. This principle ensures that justice is maintained even in technologically complex environments.

Ethical concerns in automation

Beyond legal validity, ethical considerations play a crucial role. Automated systems may lead to reduced human oversight and increased risk of exploitation.

The Prophet صلى الله عليه وسلم said ((Ibn Majah, 2341; 2000):

لا ضرر ولا ضرار

This principle requires that technological systems must not result in harm or injustice. Therefore, the use of AI in financial transactions must be regulated to ensure fairness, transparency, and accountability. Electronic contracts and automated agreements can be accommodated within Hanafi jurisprudence through the application of established principles.

Key findings include:

- ijab and qabul can be expressed digitally
- written communication validates electronic agreements
- automated systems function as tools or agents
- intention exists at the stage of authorization
- errors must be corrected to ensure justice

This analysis demonstrates that Hanafi jurisprudence is capable of engaging with advanced technological developments while preserving its اصولي integrity.

DIGITAL CURRENCY (CRYPTO CURRENCY) IN THE LIGHT OF HANAFI JURISPRUDENCE

The emergence of digital currencies, particularly crypto currencies, represents a fundamental shift in the concept of money and financial exchange. Unlike traditional currencies, crypto currencies are decentralized, lack physical form, and derive their value from digital networks and market perception. This raises profound juristic questions regarding their classification, permissibility, and compliance with the principles of Hanafi jurisprudence.

Definition of mal in hanafi fiqh

The classification of an asset as مال is the first step in determining its legal status. Imam al Sarakhsi (1993) defines مال as:

المال ما يميل إليه الطبع ويمكن ادخاره لوقت الحاجة

This definition indicates that wealth must possess value and utility, and must be capable of storage.
Similarly, Ibn Abidin (2003) states:

المال ما له قيمة بين الناس

This highlights that value is determined by social recognition.

Classification as mal mutaqawwam

Not every مال is legally valid. For an asset to be مال متقوم, it must be permissible and beneficial. Hanafi jurists distinguish between valid and invalid wealth based on its utility and legality. The question arises whether cryptocurrencies meet this criterion. If they are used for lawful purposes and recognized as valuable, they may qualify as مال متقوم.

Issue of thamaniyyah (monetary nature)

The concept of ثمنية refers to the function of money as a medium of exchange. Classical jurists recognized gold and silver as primary currencies, but also acknowledged that money can evolve based on custom.
Ibn Taymiyyah (1995) states:

الدراهم والدنانير لا تقصد لنفسها بل هي وسيلة إلى التعامل

This indicates that money is not defined by its substance but by its function. Therefore, digital currencies may acquire monetary status if they become widely accepted.

Gharar and volatility

One of the major concerns regarding crypto currencies is volatility. Hanafi jurists prohibited transactions involving excessive uncertainty. Imam al Kasani (1986) states:

ولا يجوز بيع ما فيه غرر فاحش

Extreme price fluctuations may introduce gharar, particularly when transactions are driven by speculation rather than genuine exchange.

Speculation vs real economic activity

Many crypto currency transactions are based on speculation rather than real economic activity. Islamic law distinguishes between legitimate trade and gambling like behavior. Transactions that resemble chance based gain may fall under prohibited categories. This concern aligns with the broader objective of Shariah to promote real economic productivity.

Regulatory and ethical concerns

The decentralized nature of crypto currencies raises concerns regarding regulation, fraud, and misuse.
Islamic law emphasizes accountability and transparency in financial dealings. The Prophet صلى الله عليه وسلم said (Muslim, 102; 2000):

من غشنا فليس منا

This highlights the prohibition of deception, which becomes a major concern in unregulated digital systems.

Comparative juristic opinions

Contemporary scholars differ in their evaluation of crypto currencies.
Some consider them permissible based on:

- recognition as مال
- acceptance in markets
- technological utility

Others consider them problematic due to:

- high volatility
- speculative nature
- lack of intrinsic value

This divergence reflects the complexity of the issue and the need for nuanced analysis.

Analytical conclusion of section

The analysis of digital currencies within Hanafi jurisprudence reveals that their permissibility cannot be determined through a simple binary approach.
Key findings include:

- digital currencies may qualify as مال if socially recognized
- monetary status depends on acceptance and stability
- excessive volatility introduces gharar
- speculation undermines permissibility
- regulatory concerns affect ethical evaluation

Therefore, a case by case analysis is required, grounded in classical principles and contemporary realities.

DISCUSSION

The preceding analysis of online transactions, electronic contracts, and digital currencies reveals that the central challenge in contemporary Islamic finance is not the absence of relevant juristic principles, but rather the absence of a unified and systematic application of those principles. Hanafi jurisprudence, as demonstrated through classical sources, provides a deeply structured and اصولي framework capable of addressing complex financial developments. However, modern applications often fail to fully utilize this framework. A critical examination of online transactions shows that the classical requirement of knowledge, as articulated by Imam al Kasani (1986):

ومن شرط صحة البيع أن يكون المبيع معلوما علما يمنع المنازعة

This demonstrates that classical jurisprudence not only accommodates modern practices but also anticipates their ethical requirements. In the case of electronic contracts, the flexibility of Hanafi jurisprudence becomes even more evident. The recognition of written agreements as valid contractual expressions, as stated (al Kasani, 1986):

والكتابة تقوم مقام الخطاب في العقود

It provides a direct basis for validating digital agreements. Furthermore, the extension of agency principles to automated systems highlights the adaptability of Islamic law. The concept of wakalah allows technological systems to be understood as instruments of human intention rather than independent actors. However, the discussion on digital currencies introduces a higher level of complexity. While the definition of مال allows for a broad interpretation of value, the presence of excessive volatility and speculative behavior raises serious concerns. The prohibition of gharar, as stated (al Kasani, 1986):

ولا يجوز بيع ما فيه غرر فاحش

It serves as a critical معيار in evaluating such transactions. This indicates that not all forms of digital currency can be treated equally; rather, their permissibility depends on their specific characteristics and usage. A comparative analysis of these three domains reveals an important pattern. In both online transactions and electronic contracts, the primary issues relate to form and method, which can be addressed through the flexible principles of Hanafi jurisprudence. In contrast, digital currencies raise questions related to substance and economic reality, which require deeper scrutiny. Another significant observation is the role of custom in shaping legal evaluation. The principle (al Sarakhsi, 1993):

الثابت بالعرف كالثابت بالنص

Plays a crucial role in legitimizing digital transactions that have become widely accepted. However, this principle is not absolute; it operates within the boundaries of Shariah and cannot override explicit prohibition Furthermore, the principle of harm prevention remains central across all domains. The Prophetic statement: remains central across all domains. The Prophetic statement (Ibn Majah, 2341; 2000):

لا ضرر ولا ضرار

It provides a unifying ethical معيار for evaluating digital financial practices. Whether in the context of fraud in e commerce, errors in automated contracts, or risks in crypto currency markets, the elimination of harm remains a decisive factor. The discussion also highlights a methodological issue in contemporary scholarship. Much of the existing literature relies heavily on isolated fatawa rather than systematic اصولي analysis. This approach leads to fragmented and sometimes inconsistent conclusions. In contrast, the classical Hanafi method emphasizes coherence, hierarchy of principles, and analogical reasoning.. Therefore, the most significant contribution of this study lies in demonstrating the necessity of returning to اصول as the primary basis for legal evaluation. By reconnecting contemporary issues with foundational juristic principles, it becomes possible to develop consistent and well-grounded responses to modern financial challenges.

From the above discussion, several key insights emerge:

- Hanafi jurisprudence possesses inherent flexibility through اصول
- Digital transactions can be accommodated through principled adaptation
- Not all modern financial innovations are equal in nature
- Ethical considerations remain central to legal evaluation
- Fragmentation in contemporary research must be addressed

CONCLUSION AND RECOMMENDATIONS

The present study has undertaken a comprehensive and اصولي analysis of contemporary digital financial transactions within the framework of Hanafi jurisprudence. By examining online transactions, electronic contracts, and digital currencies, the research has demonstrated that Islamic law possesses a deeply rooted and flexible structure capable of addressing modern financial developments. A central conclusion of this study is that the challenge posed by digital financial systems does not stem from the inadequacy of classical jurisprudence, but rather from the lack of systematic application of its principles in contemporary contexts. Hanafi jurisprudence, as evidenced through foundational texts, provides a coherent framework based on اصول and قواعد that can effectively guide the evaluation of new financial practices. The analysis of online transactions reveals that the absence of physical interaction does not invalidate a transaction as long as the essential conditions of clarity and consent are fulfilled. The principle articulated by Imam al Kasani (:

ومن شرط صحة البيع أن يكون المبيع معلوما علما يمنع المنازعة

It remains fully applicable in digital contexts. Similarly, the doctrine of khiyar al ruya provides a strong mechanism for protecting consumer rights in e commerce environments. In the domain of electronic contracts, the study demonstrates that the classical recognition of written agreements, as stated:

والكتابة تقوم مقام الخطاب في العقود

It provides a direct basis for validating digital and automated agreements. The extension of the concept of wakalah to technological systems further reinforces the adaptability of Hanafi jurisprudence.

However, the discussion of digital currencies highlights a more complex reality. While such currencies may qualify as مال based on social recognition, their volatility and speculative nature raise significant concerns. The principle (al Kasani 1986, Badai al Sanai):

ولا يجوز بيع ما فيه غرر فاحش

It serves as a critical criterion in evaluating their permissibility. This indicates that a nuanced and case specific approach is required. Another key finding of this research is the importance of integrating اصول الفقه into contemporary analysis. Principles such as (Ibn Majah, 2341; 2000):

الثابت بالعرف كالثابت بالنص

لا ضرر ولا ضرار

It provide a unified ethical and legal framework for evaluating digital financial practices. In light of the findings of this study, several important recommendations can be proposed. First, contemporary scholars should prioritize اصولي analysis over reliance on isolated fatawa. This will ensure that legal rulings are grounded in a coherent and systematic framework. Second, there is a need for interdisciplinary collaboration between scholars of Islamic jurisprudence and experts in digital technology and finance. Such collaboration will enhance the accuracy and relevance of juristic evaluations. Third, regulatory frameworks should be developed to ensure that digital financial systems operate within the ethical boundaries of Islamic law

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This includes addressing issues of fraud, deception, and excessive risk. Fourth, further research should be conducted on emerging financial technologies, particularly in areas where rapid innovation continues to introduce new challenges. Fifth, educational institutions should incorporate modern financial issues into their curricula, enabling future scholars to engage effectively with contemporary realities.

DATA AVAILABILITY

Data will be made available on a fair request to the corresponding author

ETHICS APPROVAL

Not applicable to this paper.

FUNDING SOURCE

Self-funded.

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