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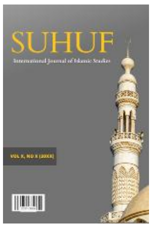

Central Bank Digital Currency from an Islamic Legal Perspective: Reinterpreting Digital Money through the Lens of Ibn Taymiyyah's Qawaid Fiqhiyyah

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ABSTRACT

Background: The disruption of digital payment systems prompts central banks to issue Central Bank Digital Currency (CBDC). Transitioning to digital assets like the Digital Rupiah requires Sharia compliance and mitigates systemic risks of data centralization. **Objective:** This study analyzes the legal standing and Sharia boundaries of CBDCs using Ibn Taymiyyah's jurisprudential maxims (qawa'id fiqhiyyah) on freedom of contract. **Methodology:** Utilizing a qualitative, library-based method grounded in doctrinal legal analysis, this research examines Ibn Taymiyyah's primary literature and central bank policies. Data analysis applies conceptual and *ushuliyyah* approaches via thematic deductive reasoning. **Result:** The findings confirm that CBDCs ontologically fulfill the criteria of money. Their fundamental legal status is permissible (mubah) based on the maxim of original permissibility in contracts. However, this legitimacy is constrained by substantial justice: remuneration in wholesale CBDC triggers *riba* (usury), and privacy-infringing programmability precipitates *zulm* (injustice), violating the *la dharar wa la dhirar* (do no harm) maxim. Consequently, CBDC adoption is legally permissible if it is strictly adhered to algorithmic ethics. Regulators must formulate comprehensive guidelines on programmability to protect user rights. Future research should empirically measure public acceptance and potential operational *gharar* (uncertainty) during trial phases.

1. Introduction

The landscape of the global financial system has undergone a fundamental disruption precipitated by a marked shift in societal preferences from physical to digital payment instruments. This phenomenon has compelled central banks worldwide to address the risks of banking disintermediation and threats to monetary sovereignty posed by unregulated private crypto-assets [1]. As a strategic response, the concept of Central Bank Digital Currency (CBDC) has emerged as an innovative central bank liability that promises efficiency, security, and financial inclusion. In the Indonesian context, this urgency has been formalized through Project Garuda and the strengthening of the legal framework under Law No. 4 of 2023 (the P2SK Law). This legislation explicitly establishes the Digital Rupiah as legal tender, aimed at supporting sustainable economic growth and achieving the Sustainable Development Goals*s* [2]. Financial institutions, including Islamic banks, are also expected to promote community welfare and development goals significantly [3].

The recent exponential growth of the national digital economy provides a solid foundation for the rationale for a Central Bank Digital Currency (CBDC). Evidencing this trend, projected digital banking transactions via BI-RTGS increased by 6.62% year-on-year (yoy), reaching Rp42,005.48 trillion. Concurrently, BI-FAST transactions recorded robust positive growth of 55.40% (yoy), totalling Rp1,760.59 trillion [4]. This surge in transaction volume constitutes a strong indicator of the high levels of digital literacy and technological acceptance among the Indonesian populace. This massive digitalization is also unavoidable in the management of Islamic social finance, which increasingly demands technological integration to optimize the utilization and distribution of funds to the community [5]. Nevertheless, this heightened societal readiness is not yet substantiated by a comprehensive ecosystem evaluation instrument. The optimal implementation of the Digital Rupiah remains impeded by nascent regulatory frameworks, institutional capacity constraints, and the uneven distribution of technological infrastructure across the archipelago. Consequently, the formulation of a multidimensional readiness measurement model is imperative to map Indonesia's preparedness in a more quantifiable and scientifically rigorous manner.

However, integrating financial technology into the Islamic economic framework introduces inherent complexities. Scholars face the challenge of ensuring that monetary innovations are not only technically efficient but also compliant with Sharia principles that prohibit *riba* (usury), *gharar* (uncertainty), and *maysir* (gambling) [6]. The ontological debate regarding digital money whether it constitutes merely digital fiat currency or possesses intrinsic value remains a subject of vigorous academic discourse. Furthermore, the technical characteristics of CBDC, such as programmable money and data centralization, precipitate novel concerns regarding privacy and the potential for structural injustice [7]. This concern is in line with the view that the use of digital infrastructure (such as blockchain or automated tracking systems based on legal code/computation) must meet Sharia compliance criteria, namely ensuring the avoidance of damage (do no harm) while maintaining transparency, encryption, privacy, and upholding the principles of *maqashid al-syariah* [8]. This issue becomes critical in light of the paradox between technological efficiency and the risk of economic power concentration, which could undermine the principles of Islamic justice [9].

The extant literature demonstrates that scholarship on digital money and Central Bank Digital Currency (CBDC) has proliferated significantly in recent years. First, studies focusing on aspects of positive law legality and national security. (Wiranta et al., 2025) dan (Vanani & Suselo, 2021) emphasize the imperative of stringent regulation to preserve the sovereignty of the Rupiah and mitigate cybercrime [10], [11], while (Firdaus, 2025) highlights the socio-legal implications regarding the urgency of implementing the Digital Rupiah to prevent social exclusion [12]. Second, research examining the impact of industrial competition and technical design. (Pati & Indrajat, 2025) discuss the necessity for balanced regulation between banking and fintech in the CBDC era [13], whereas (Prayudya & Al-Ayyubi, 2023) propose an optimal technical design for Islamic CBDC to eschew *riba* [14]. Third, studies scrutinizing Sharia perspectives on private crypto-assets. (Asyiqin et al., 2024) and (Alim et al., 2024) extensively discuss the status of cryptocurrencies such as Bitcoin, which are assessed as *haram* or *shubhat* (doubtful) due to their volatility, speculative nature, and lack of clear underlying assets [15], [16].

Notwithstanding the rapid expansion of literature on the Islamic digital economy, a significant knowledge gap persists in the current state of the art. The majority of existing studies, such as those by (Zuchroh, 2025) and (Arif et al., 2024) tend to employ macro *Maqashid Sharia* approaches or general analyses of DSN-MUI fatwas [6], [17]. Conversely, existing studies on Ibn Taymiyyah's thought, such as (Maulidzien, 2019) discuss market mechanisms and price regulation in general terms, without addressing forms of modern digital money [18]. No research has yet specifically utilized Ibn Taymiyyah's *qawaid fiqhiyyah* as an analytical tool to rigorously dissect the validity of CBDC contracts. In fact, Ibn Taymiyyah's approach, which emphasizes freedom of contract and substantial justice, is highly relevant for responding to modern innovations that lack precedent in classical texts [19].

This research aims to bridge this gap by offering novelty through the implementation of Ibn Taymiyyah's legal maxim: *Al-asl fi al-uqud wa al-shurut al-jawaz wa al-sihhah* (the fundamental principle in contracts and conditions is permissibility and validity). This approach is selected because it offers the requisite flexibility to accommodate CBDC innovation as an advancement of the era, while maintaining firmness in restricting elements that undermine justice. Unlike previous studies that often remain entrapped in a *halal-haram* dichotomy based on physical commodities [20], this research views CBDC through the lens of contractual validity and the novel conditions accompanying it, juxtaposing these against the risks of data monetization and power centralization identified Fanani et al., (2025) [7].

The urgency of this discourse is amplified by the findings of (Peterson & Ozili, 2022) and (Husain & Alawa, 2025) which indicate that the success of CBDC is critically contingent upon the equilibrium between transparency and privacy [21], [22]. Absent a robust *fiqh* foundation capable of reconciling innovation with the protection of user rights, the adoption of CBDC in Muslim-majority nations risks forfeiting its moral legitimacy. Consequently, it is imperative to conduct an analysis that transcends mere *Sharia* labeling and rigorously delves into contractual structures and operational boundaries, drawing on an authoritative framework of *qawaid fiqhiyyah*.

The primary objective of this research is to analyze the legal standing and Sharia boundaries of CBDC through the lens of Ibn Taymiyyah's legal maxims concerning the freedom of contract. This research tests the hypothesis that CBDC is fundamentally valid under the presumption of permissibility in contracts, provided that its technical design such as remuneration features and data tracking does not violate principles of justice or cause *harm* (mudarat). Theoretically, this research contributes to enriching the corpus of contemporary *fiqh muamalah* by demonstrating the enduring relevance of Ibn Taymiyyah's thought in addressing 21st century financial technology. Practically, the implications and discussions herein are expected to serve as a normative guideline for regulators, such as Bank Indonesia and the National Sharia Board (DSN), in designing a Digital Rupiah architecture that is inclusive, just, and Sharia-compliant, while mitigating the risks of systemic injustice often marginalized in purely technical discours.

2. Method

This study employs a qualitative, library-based research design utilizing a doctrinal legal analysis methodology [23]. The primary focus of this methodology is to explore, analyze, and synthesize primary and secondary literature to construct Islamic legal arguments about contemporary financial instruments, specifically Central Bank Digital Currencies (CBDCs). The research utilizes both conceptual and *ushuliyyah/fiqhiyyah* (Islamic jurisprudential) approaches. The conceptual approach focuses on understanding the technological and economic architecture of CBDCs, including programmability and data control. In contrast, the *ushuliyyah* approach is applied to dissect these issues through the framework of *Qawa'id Fiqhiyyah* (Islamic legal maxims) as formulated by Ibn Taymiyyah [24]. Furthermore, the nature of this research is descriptive-analytical; the CBDC phenomenon is not quantified numerically, but rather, its legal characteristics are systematically elucidated to derive relevant legal conclusions.

The data sources in this study are classified into primary and secondary data [25]. Primary data encompass the monumental works of Ibn Taymiyyah, specifically the text *Al-Qawa'id wa al-Dhawabit al-Fiqhiyyah lil-Muamalat al-Maliyah 'inda Ibn Taimiyyah Jam'an wa Dirasatan* [26] alongside official central bank policy documents concerning CBDCs [27], Secondary data consist of international and national journal articles, textbooks, and prior research reports relevant to the discourse on contemporary *fiqh muamalah* (Islamic commercial jurisprudence), digital currencies, and Islamic macroeconomics.

To ensure transparency and interpretative accuracy, data analysis was conducted utilizing a qualitative thematic analysis method integrated with Islamic legal deductive reasoning. This process was executed in three stages: 1) identifying and mapping the principal features of CBDCs that carry legal and ethical implications; 2) extracting the relevant *Qawa'id Fiqhiyyah* (Islamic legal maxims) of Ibn Taymiyyah to serve as an analytical framework for the categorized CBDC features; and 3) correlating the technical findings of CBDCs with these jurisprudential maxims to formulate legal conclusions, thereby offering monetary policy recommendations that align with *maqashid al-Shari'ah* (the higher objectives of Islamic law).

3. Results and Discussion

3.1 The Concept of Money in Islam

Islam views money through a unique and definitive perspective, opposed to the capitalist paradigm that treats money as a tradable entity (the commodity concept of money). Within the Islamic framework, the function of money is strictly confined to serving as a medium of exchange and a unit of account (measure of value). It is not regarded as a commodity capable of generating profit autonomously through interest mechanisms (money begetting money). In his seminal work, *Ihya' Ulum al-Din*, Imam Al-Ghazali provides a profoundly insightful analogy regarding money. He likens money to a mirror (mir'ah). A mirror possesses no inherent color of its own, yet it can reflect all colors. Similarly, money has no intrinsic use-value in its physical form (just as gold cannot be consumed); rather, it serves as a standard for evaluating the prices of other commodities. Al-Ghazali asserts that treating money as an object of trade, for instance, by renting it out to accrue interest, constitutes a form of injustice (zhulm), as it obstructs the flow of money into the real sector. The act of hoarding money (kanz) or subjecting it to interest is akin to imprisoning a just judge, thereby preventing it from executing its rightful function within economic exchange [28].

In alignment with Al-Ghazali's philosophical discourse, Ibn Taymiyyah, in his *Majmu' al-Fatawa*, presents a critical perspective that strictly prohibits the manipulation of currency quantity (debasement) and speculative currency trading. He articulates a monetary theory positing that when money undergoes a functional reduction into a tradable commodity intended solely for the extraction of pure financial gain through exchange rate differentials or usurious (ribawi) mechanisms, it directly results in the corruption (fasad) of the socio-economic order. The most profound consequence of such malpractice is the destruction of price stability for real commodities, which are fundamental to human sustenance. Ibn Taymiyyah underscores the philosophical prescription that *thaman* (money or price) was expressly created to serve as a standard measure of value for assets and commodities (ma'yar). On this logical foundation, a unit of measurement serving as a standard of value cannot justifiably be subjected to artificial fluctuations, nor should it be used as a speculative instrument that obfuscates the real economy [20].

The relevance of these classical paradigms was contextualized within the modern economic system by Muhammad Umer Chapra (1985) in his seminal work, *Towards a Just Monetary System*. Chapra advanced the theory that sustainable monetary stability can be achieved only if a strong linkage exists between the monetary and real sectors (the principle of materiality). He argued that the interest-based system is the primary catalyst that severs this connection. Within an interest-based framework, money can expand exponentially in financial markets without being underpinned by a commensurate increase in the production of goods and services in the real sector. This phenomenon engenders a bubble economy that is inherently susceptible to crises. Consequently, the Islamic monetary architecture necessitates the eradication of interest, replacing it with risk-sharing mechanisms or safekeeping arrangements that preserve value rather than guarantee artificial growth [28].

3.2 Central Bank Digital Currency (CBDC)

Conceptually and legally, Central Bank Digital Currency (CBDC) constitutes a virtual manifestation or fiat-affiliated digital representation of a sovereign state's official currency, the issuance and management of which fall under the exclusive authority of the central bank. In diametric opposition to the architecture of crypto assets (cryptocurrencies), which operate on decentralized protocols and are governed by private entities without underlying economic fundamentals, CBDCs are legally recorded as absolute monetary liabilities on the central bank's balance sheet. Consequently, this instrument inherently and wholly fulfills the trichotomy of money's fundamental functions: serving as a medium of exchange, a stable store of value, and a prescriptively valid unit of account [27]. The most essential characteristic distinguishing CBDCs from electronic money issued by commercial banks or financial technology (fintech) institutions is their status as risk-free assets. This structural construct enables every CBDC holder to hold a direct financial claim against the central bank, effectively eliminating the credit and default risks associated with intermediary institutions. This renders the CBDC an instrument with a security level equivalent to that of physical cash, albeit within a sophisticated digital ecosystem.

Within the architecture of contemporary payment systems, the operational mechanisms of Central Bank Digital Currencies (CBDCs) are fundamentally classified into two primary typologies: the wholesale model (w-CBDC), exclusively designed to facilitate the settlement of massive, high-value transactions among financial institutions; and the retail model (r-CBDC), oriented toward accommodating broad public financial inclusion for daily retail economic activities [29]. From a theoretical standpoint, this structural dichotomy stimulates critical academic discourse concerning its implications for macroeconomic equilibrium and financial system stability. At one end of the spectrum, the implementation of CBDCs promises revolutionary efficiency gains through instant settlement mechanisms, significantly mitigating interbank credit and liquidity risks. Conversely, this architecture elicits systemic concerns about the threat of structural disintermediation in the commercial banking sector. The primary concern is the risk of massive liquidity migration (digital bank runs or deposit flight), in which, during stress events, the public could seamlessly transfer their deposits from commercial banks into central bank accounts, which are perceived as ultimate safe-haven assets.

In Indonesia, the CBDC initiative has been institutionally addressed through the launch of Project Garuda, a grand design for the issuance of a Central Bank Digital Currency (CBDC) that positions the Digital Rupiah as an anchor of trust and a pillar of stability amidst a dynamic digital ecosystem. As the sole monetary authority, Bank Indonesia has implemented a phased escalation strategy, focusing its initial developmental phase on the Wholesale Digital Rupiah (w-Rupiah Digital). This tactical measure is oriented towards establishing a solid financial architectural foundation within the realm of institutional transactions, serving as a fundamental prerequisite prior to its expansion into the retail segment (Retail Digital Rupiah) [30]. This calibrated policy formulation is underpinned by the imperative of risk mitigation, ensuring that digital disruption neither triggers macro-financial stability shocks nor distorts the trajectory of the state's monetary policy. Furthermore, this CBDC initiative manifests as a prescriptive state intervention designed to uphold the supremacy and sovereignty of the Rupiah, thereby fortifying the national economy against the aggressive penetration of private digital asset instruments and the dominance of foreign digital currencies that could potentially catalyze shadow banking systems.

From a technical standpoint, the operational framework of Central Bank Digital Currencies (CBDCs) frequently incorporates Distributed Ledger Technology (DLT), though it is not exclusively confined to this architecture. The deployment of DLT guarantees a transparent, secure, and tamper-evident system by recording transactions across interconnected, consensus-validated blocks [31]. For regulatory authorities, this technological infrastructure facilitates the real-time traceability of financial flows, a critical capability for Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) initiatives. Nonetheless, ensuring such operational resilience is strictly contingent upon a formidable national cybersecurity infrastructure capable of neutralizing sophisticated cyber threats.

3.3 Qowaid Fiqhiyyah Ibnu Taimiyyah

الأصل في العقود والشروط الجواز والصحة، ولا يحرم ولا يبطل منها إلا ما دل الشرع على تحريمه وإبطاله نصاً أو قياساً

The fundamental premise of this *fiqhiyyah* (jurisprudential) maxim asserts that the default ruling for all forms of contracts (uqud), transactions, and stipulations formulated by individuals in commercial dealings (muamalat) is validity and permissibility, barring the existence of specific scriptural evidence (dalil shar'i) that explicitly prohibits or invalidates them. As elucidated in the referenced text [26], the ultimate criterion for the lawfulness, validity, and binding nature of a contract is the mutual consent (tarradi) of the contracting parties. The Sharia establishes this mutual consent as the foundational axis for the permissibility of any transaction. Ibn Taymiyyah posits that a valid contract is predicated upon two core principles: (1) adherence to the genuine intent of the contracting parties, and (2) the verifiability of their mutual consent. Consequently, it is jurisprudentially impermissible to deem a contract or a stipulated condition as void (batil) or prohibited (haram) simply due to the absence of specific scriptural mandates endorsing it. In the absence of an explicit prohibition from Allah and His Messenger, the contract retains its default status of permissibility (al-ibahah) and exemption (al-'afw). This paradigm contrasts sharply with the realm of worship (ibadah), wherein the default ruling is suspension (tawaqquf) or prohibition until a definitive scriptural command mandates it. Inherently, *muamalat* pertains to customary human interactions; thus, the Sharia intervenes primarily to rectify harmful practices while permitting those that generate public benefit (maslahah).

Ibn Taymiyyah, alongside his prominent disciple Ibn al-Qayyim, and the broader consensus of scholars who endorse this legal maxim, substantiate their jurisprudential stance on scriptural evidence (dalil) derived strictly from the Quran and the Sunnah.

يَٰٓأَيُّهَا ٱلَّذِينَ ءَامَنُوٓاْ أَوۡفُواْ بِٱلۡعُقُودِۚ أُحِلَّتۡ لَكُم بَهِيمَةُ ٱلۡأَنۡعَٰمِ إِلَّا مَا يُتۡلَىٰ عَلَيۡكُمۡ غَيۡرَ مُحِلِّي ٱلصَّيۡدِ وَأَنتُمۡ حُرُمٌۗ إِنَّ ٱللَّهَ يَحۡكُمُ مَا يُرِيدُ

It means: "*O you who have believed, fulfill [all] contracts. Lawful for you are the animals of grazing livestock except for that which is recited to you [in this Qur'an] hunting not being permitted while you are in the state of ihram. Indeed, Allah ordains what He intends.*" (Surah Al-Ma'idah [5]:1). The normative scriptural evidence contained within this divine command essentially functions as a binding jurisprudential foundation, obligating all parties to execute and actualize every agreed-upon contract ('aqd). The scope of this injunction is inherently comprehensive and universal, thereby automatically accommodating and encompassing all variants and typologies of contracts within the realm of commercial dealings (muamalat). Through a deductive reasoning approach, a sound logical argument can be deduced: if the foundational postulate (default legal ruling) of a contract were deemed prohibited or void (batil) under Sharia, it would be conceptually inconceivable for the Supreme Lawgiver (Allah) to mandate the fulfillment of such contractual obligations categorically and absolutely, without appending specific exclusionary clauses, elaborations, or detailed restrictions (tafshil).

وَإِذَا قُلۡتُمۡ فَٱعۡدِلُواْ وَلَوۡ كَانَ ذَا قُرۡبَىٰۖ وَبِعَهۡدِ ٱللَّهِ أَوۡفُواْۚ ذَٰلِكُمۡ وَصَّىٰكُم بِهِۦ لَعَلَّكُمۡ تَذَكَّرُونَ

It means: "*Moreover, when you testify, be just, even if it concerns a near relative. Moreover, the covenant of Allah is fulfilled. He has instructed you that you may remember.*" (Surah Al-An'am [6]:152)*."* Substantively, this verse articulates a comprehensive assertion about the theological and jurisprudential obligations of every individual to fulfill the commitments they have pledged to Allah SWT. Furthermore, this normative scriptural evidence establishes a binding imperative maxim that mandates the fulfillment of the entire spectrum of contractual engagements agreed upon by the contracting parties. The rationalization underpinning this absolute obligation is predicated on the foundational principle that every form of contract or horizontal interpersonal agreement, provided its substance is harmonious with and non-contradictory to the fundamental values of Islamic Sharia, is essentially integrated and recognized as a manifestation of the divine covenant, which must be categorically executed and obeyed.

وَأَوْفُوا۟ بِٱلْعَهْدِ ۖ إِنَّ ٱلْعَهْدَ كَانَ مَسْـُٔولًا

It means: “*Moreover, fulfill every commitment. Indeed, the commitment is ever [that about which one will be] questioned.”* (Surah Al-Isra' [17]:34). From a normative jurisprudential perspective, the textual formulation of this verse epitomizes the fundamental doctrine of absolute accountability within a contractual nexus. The categorical obligation to fulfill covenants, alongside the inherent demand for accountability, provides a robust justification for the principle of freedom of contract, including the specific stipulations formulated by the contracting parties, being principally acknowledged as valid and legally binding. This conceptual construct aligns seamlessly with the overarching maxims of *muamalat* (Islamic commercial jurisprudence); for if the structural integrity of the contract ('aqd) or its technical prerequisites harbored prohibited or invalidating elements, the Sharia would logically abrogate the mandate for its execution.

3.4 Discussion of Central Bank Digital Currency

Before analyzing the architecture of Central Bank Digital Currencies (CBDCs), it is imperative to establish the operational definitions of validity and Sharia compliance in the context of this study. Validity (sihhah) refers to the fulfillment of the essential pillars (rukun) and conditions (syarat) of a financial instrument or contract, in accordance with both positive law and *fiqh muamalah* (Islamic commercial jurisprudence). Meanwhile, the parameters of Sharia compliance are measured by the absence of primary prohibited elements: *riba* (usury or unjust addition), *gharar* (uncertainty or ambiguity), *maysir* (speculation or gambling), and *zulm* (injustice, specifically encompassing the exploitation of privacy).

The ontological status of CBDC as *naqd* (money) is intrinsically linked to the comparative perspectives of contemporary Islamic scholars and fatwa-issuing institutions. Ontologically, a CBDC is a central bank's monetary liability, functioning primarily as a medium of exchange. In contrast to private crypto assets, which are categorized as highly speculative *sil'ah* (commodities) [16], the majority of contemporary scholars acknowledge the validity of digital currencies. This consensus is supported by AAOIFI Standard No. 57 concerning Gold and Trading Controls, as well as analogous reasoning derived from DSN-MUI Fatwa No. 116/DSN-MUI/IX/2017 regarding Sharia Electronic Money. Such recognition is contingent upon the digital currency being issued by a legitimate authority, backed by sovereign trust, and capable of maintaining value stability in accordance with the principle of *hifz al-mal* (preservation of wealth). Within the Hanafi and Maliki schools of jurisprudence, the designation of an item as *thaman* (money) is not confined strictly to gold and silver; rather, it is dictated by *'urf* (customary practice) and *qabul al-'amm* (general public acceptance). Consequently, the digital nature of a currency does not negate its monetary essence, provided its economic function remains equivalent to that of physical fiat money.

This study goes beyond merely appending Ibn Taymiyyah's maxims; rather, it operationalizes them through a systematic *istinbath* (legal deduction) framework encompassing several stages. The first stage, *Takhrij al-Manath* (extraction of the ratio legis), involves identifying the technical anatomy of Project Garuda. Two primary features are analyzed: 1) the issuance of a Wholesale CBDC, which potentially entails remuneration or yields for commercial banks; and 2) the Programmability feature (programmable money), manifesting in smart contract automation and the centralization of user identity databases. In the second stage, *Tahqiq al-Manath* (verification of the ratio legis), Ibn Taymiyyah's foundational maxim *Al-asl fi al-'uqud wa al-shurut al-jawaz wa al-shihhah* (the fundamental principle in contracts and stipulations is permissibility and validity) is applied. In principle, the CBDC innovation and its accompanying technological features are regarded as *muamalat hadithah* (contemporary commercial innovations). In the absence of definitive (qath'i) textual evidence prohibiting centralized digital currencies, the preliminary legal status of CBDC issuance is *mubah* (permissible). This maxim confers broad initial legitimacy, in contrast to conservative jurisprudential approaches that demand historical precedent.

The final stage is *Tanqih al-Manath* (refinement of the ratio legis). The validity established in the second stage is not absolute. This analysis necessitates a secondary filter utilizing the perspective of restrictive maxims (dawabit fiqhiyyah), ensuring that Ibn Taymiyyah's flexibility does not inadvertently lead to economic liberalism. If the CBDC design entails remuneration (interest) on commercial banks' deposits at the central bank, the contract is immediately rendered void due to its contravention of explicit textual evidence (nash) prohibiting *riba* (usury). Furthermore, programmable money enables restrictions on fund access (e.g., the expiration of social assistance funds). Should these stipulations exploit privacy or infringe upon absolute ownership rights (milkiyyah tammah), the contract is invalidated based on the complementary maxim: *La dharar wa la dhirar* (Do no harm, nor return harm). Ultimately, the freedom of stipulation posited by Ibn Taymiyyah must remain subordinate to the overarching principle of *al-'adl* (justice).

The findings of this research demonstrate that the adoption of Central Bank Digital Currencies (CBDCs) is legally valid and permissible following the application of the maxim *al-asl fi al-uqud wa al-shurut al-jawaz wa al-sihhah* (the default ruling for contracts and conditions is permissibility and validity). This conclusion is deductively drawn from Ibn Taymiyyah’s jurisprudential maxim, which asserts that the fundamental ruling for all transactions and stipulations is permissibility, barring the existence of explicit scriptural evidence (dalil) prohibiting them. To elucidate the operationalisation of this maxim in evaluating the technical dimensions of CBDCs, the following table presents an application matrix juxtaposing the maxim with relevant jurisprudential parameters (dawabit fiqhiyyah).

Table 1. Application of Qawa'id Fiqhiyyah to CBDC

CBDC Aspects	Application of Main Principles (Qowaid Fiqhiyyah)	Limiting Principles (Dawabit Fiqhiyyah)
Legal Status	CBDC constitutes a technological innovation (muamalat hadithah) designed to facilitate payments. Given the absence of prohibitory textual evidence, its fundamental legal status is permissible.	Al-asl fi al mu’amalat al maliyyah al ibahah.
Money Character	This maxim validates CBDC as a legitimate currency (naqd) despite its digital nature, provided it fulfills the functions of a store of value and a medium of exchange.	*Al asl fi al uqud jami’iha al adl.*
Prohibition	The analytical focus shifts from the question of inherent permissibility ("Is this permissible?") to the structural integrity of its design ("Does the architecture entail riba or zulm?"). Explicit prohibitory evidence is required to invalidate it.	*Kullu hilah tadammanat isqat haqq aw istihlal Muharram fa hiya muharramah.* (Any legal stratagem intended to nullify an established right is unlawful).
Programability	The feature regarding the central bank's fund-use restrictions is classified as a novel stipulation. This stipulation is permissible, barring instances where it results in injustice (zulm) or infringes upon property rights.	*La darar wa la dirar* (No harm shall be inflicted or reciprocated).

Source: author's analysis.

Drawing upon the preceding matrix mapping, a comprehensive analysis reveals that the jurisprudential construct formulated by Ibn Taymiyyah operates as a dual-filtering mechanism in assessing the validity of contemporary financial entities. At the primary layer, as delineated in the application column of the principal maxim, this epistemological approach furnishes the foundational juridical justification and *prima facie* legitimacy for the advent and existence of Central Bank Digital Currencies (CBDCs). This analytical framework effectively deconstructs prevailing academic *scepticism* and debates regarding the ontological status of digital currencies, which lack a physical manifestation (intangible assets). Furthermore, this approach reinforces a fundamental postulate within Islamic jurisprudence, specifically the foundational adage of *fiqh muamalah,* which holds that the absence of explicit textual proscription (nash) against a novel instrument inherently serves as the normative basis for establishing its permissibility (ibahah).

Transitioning to the second layer of the filter, as projected through the instrument of *dawabit fiqhiyyah* (specific jurisprudential parameters and boundaries), the legal analytical construct does not culminate solely at the initial premise of permissibility (ibahah) *per se*. Furthermore, this mechanism imperatively binds such financial innovations to the fundamental pillars of substantive justice ('adalah) and the protection of public interest (maslahah 'ammah). As an empirical case study, the programmability feature inherent in digital currencies can technically be accommodated as a novel stipulatory clause within the framework of freedom of contract. Nevertheless, the operational legitimacy of this technological feature is subject to automatic annulment or restriction via the application of the maxim *la darar wa la dirar* (the principle of eliminating harm and prohibiting reciprocal harm), should its algorithmic implementation demonstrably compromise user data privacy or diminish the essence of absolute property rights (milkiyyah tammah) without a valid Sharia justification. In sum, this matrix mapping affirms that the principle of freedom of contract (hurriyyah al-ta'aqud) and the flexibility of *muamalah* within Islamic legal epistemology are by no means unrestrictedly liberal; rather, they are meticulously calibrated and rigorously anchored in ethical paradigms and intrinsic justice.

Although the ontological foundation of this instrument is initially classified as jurisprudentially permissible (mubah), an in-depth analytical review of the technical configuration of Central Bank Digital Currencies (CBDCs) reveals structural vulnerabilities. These vulnerabilities possess the potential to precipitate violations of Sharia principles if left unregulated by a stringent governance framework. Specifically, this research delineates two fundamental areas of concern (red flags) within the CBDC architecture: the probability of usurious (ribawi) practices within the wholesale CBDC mechanism, and the threat of systemic injustice (zulm) inherent in its programmability features. From a jurisprudential standpoint, should the architectural design of a wholesale CBDC incorporate a remuneration scheme or interest-bearing yield on commercial bank reserve deposits held at the monetary authority, the underlying contract ('aqd) is automatically rendered legally defective and void *ab initio* (batil). Such a mechanism constitutes an absolute contravention of the definitive scriptural texts (nash) prohibiting *riba*. In the broader operational realm, the integration of programmable money, which grants central banks the technical capacity to dictate fund utilisation limits, such as imposing expiration parameters on the distribution of social assistance, introduces distinct complexities. Should these algorithmic restrictions be unilaterally imposed without accommodating the mutual consent (taradin) of the recipients, or should they distort the essence of absolute ownership rights (milkiyyah tammah), such technological interventions would definitively be categorised as *zulm* (exploitative and unjust actions).

The empirical and analytical findings of this research discourse conclusively affirm the contemporary actuality and relevance of Ibn Taymiyyah’s epistemological thought in responding to the dynamics and complexities of the modern digital economic ecosystem. In diametric opposition to the conservative paradigms of certain jurisprudential schools (madhahib), which exhibit a restrictive tendency to reject novel typologies of contracts ('aqd) due to the absence of historical precedents in classical literature (turath), Ibn Taymiyyah's jurisprudential construct conversely provides a measured elasticity and operational latitude for the acceleration of financial technology innovations. Furthermore, the elaboration of this study argumentatively deconstructs and refutes the premise of concern posited by Asyiqin et al. (2024), which simplistically generalises all digital asset instruments under the classification of *gharar* (excessive uncertainty) [15]. Through a rigorous taxonomic delineation between highly volatile and speculative crypto-asset entities and Central Bank Digital

Currencies (CBDCs), which are underpinned by the sovereign guarantee of monetary authorities, this research validates a fundamental postulate: that the stability of value constitutes a prescriptive variable essential to the validity of a commercial contract (muamalah). This jurisprudential conclusion resonates profoundly and aligns seamlessly with Ozili's (2022) macroeconomic perspective on the imperative of maintaining financial system stability [21].

The primary determinant influencing the conclusion of this research rests upon the supremacy of the principle of substantive justice. In line with Ibn Taymiyyah's fundamental postulate, which asserts that *al-asl fi al-uqud jami'iha al-'adl* (the foundational principle underlying all forms of contracts is justice), the manifestation of justice within the Central Bank Digital Currency (CBDC) ecosystem is specifically contextualised as the guaranteed protection of user data privacy. These empirical findings effectively synthesise the operational and technical rationalisations formulated by Bank Indonesia (2022) regarding the urgency of cybersecurity (data security) with the philosophical framework of *maqasid al-shariah* (objectives of Islamic law), particularly the pillars of *hifz al-mal* (preservation of financial assets) and *hifz al-'ird* (protection of individual privacy and dignity). As a jurisprudential consequence, should the CBDC architecture incorporate an absolute algorithmic monitoring system (total surveillance) that excessively eradicates public privacy rights, such a technological prerequisite would be rendered legally defective and void, as it directly contravenes the maxim of harm elimination, *la dharar wa la dhirar*. Ultimately, the theoretical significance of this research lies in its capacity to shift the locus of contemporary *fiqh muamalah* (Islamic commercial jurisprudence) studies: transitioning from conventional, stagnant discourses centred on the ontological *halal-haram* debates regarding the physical substance or materiality of money, toward a critical evaluation of data governance and algorithmic ethics within digital monetary instruments.

The aforementioned doctrinal legal analysis finds compelling justification for its urgency when juxtaposed with the quantitative realities of the digital ecosystem. According to data from Bank Indonesia, digital banking transactions via BI-RTGS have increased by 6.62%, reaching Rp42,005.48 trillion, while BI-FAST transactions have grown by 55.40%, reaching Rp1,760.59 trillion. Such a massive volume of quantitative transactions demonstrates that the forthcoming adoption of the Digital Rupiah will govern the real-time circulation of wealth for hundreds of millions of citizens. This immense scale underscores that any privacy violations or centralization of algorithmic power facilitated by CBDC programmability that fails to adhere to the maxim of *la dharar wa la dhirar* (do no harm, nor return harm) will no longer result in mere interpersonal injustice (zhulm fardi), but will rather precipitate a macro-level systemic injustice (zhulm nithami). Consequently, it is absolutely imperative to bind the algorithmic architecture of the CBDC to the principles of rights protection (hifz al-mal wa al-'ird, or the preservation of wealth and dignity) as a foundational framework for central bank public policy.

This study is inherently limited by its reliance on documentary data, specifically white papers and existing literature, given that the Digital Rupiah has yet to be fully deployed in the public sphere. Consequently, the actual psychological impact of this digital currency on public behaviour cannot be measured empirically at present. Furthermore, the highly technical nature of cybersecurity protocols limits the possibility of an exhaustive analysis of the potential for technological *gharar* (uncertainty or hazard). Based on these findings, it is strongly recommended that regulatory authorities, particularly the National Sharia Board (DSN) and Bank Indonesia, formulate comprehensive ethical guidelines governing the programmability features of the Digital Rupiah to prevent any infringement upon property rights. For future research trajectories, it is advisable to conduct empirical field or experimental studies once the Digital Rupiah pilot phase commences. Such investigations will be crucial for accurately gauging public acceptance and assessing the potential for operational *gharar* in a real-world context.

4. Conclusion

This study concludes that Central Bank Digital Currency (CBDC) has a valid (sahih) legal standing in Islamic jurisprudence, as it ontologically meets the criteria for *naqd* (money). It effectively functions as a stable medium of exchange and store of value, in stark contrast to speculative private crypto assets. Premised upon Ibn Taymiyyah's jurisprudential maxim, *al-asl fi al-uqud wa al-shurut al-jawaz wa al-sihhah* (the default ruling for contracts and conditions is permissibility and validity), the foundational status of this digital currency innovation is permissible (mubah) due to the absence of explicit textual proscription (nash). This underlines that Islamic law is receptive to technological modernisation provided it engenders public benefit (maslahah). Nevertheless, this legal validity is not absolute; rather, it is strictly contingent upon the overarching principle of justice (al-'adl). Consequently, technical dimensions such as programmability and data centralisation are justifiable only if they do not compromise user privacy or unjustly restrict property rights. Should the architectural design facilitate usurious practices (riba) or enable total surveillance, the underlying contract is rendered void *ab initio* (batil), in strict accordance with the principle of *la dharar wa la dhirar* (the prohibition of inflicting and reciprocating harm).

Drawing upon these findings, it is highly recommended that regulatory authorities, specifically Bank Indonesia and the National Sharia Board (DSN-MUI), expeditiously formulate ethical guidelines governing the programmability features of the Digital Rupiah. This imperative is crucial to safeguard users' wealth and dignity (hifz al-mal wa al-'ird) against potential abuse of power. For the academic community, future research should focus on empirical studies to measure the socio-psychological impacts of digital currency adoption within society. Ultimately, the integration of CBDCs must be conceptualised not merely as an optimisation of monetary efficiency but as an ethical litmus test that ensures digital transformation remains inextricably bound to humanistic values and inclusive economic justice.

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