



Sharia Compliance of Digital Gold Installment Transactions: A Fiqh Muamalah Perspective from Tangsimekar Village, Indonesia

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ABSTRACT

The rapid development of digital financial technology has significantly transformed commercial transactions, including the practice of gold trading through digital applications. Digital gold installment transactions have become increasingly popular because they provide easier access, affordability, and investment opportunities for the public. This study aims to analyze the implementation of digital gold installment sale contracts from the perspective of Fiqh Muamalah through a case study conducted in Tangsimekar Village, Paseh District, Bandung Regency. The research employed a qualitative approach using a descriptive case study design. Data were collected through observations, semi-structured interviews, and documentation involving digital gold investors, community members, religious leaders, and relevant stakeholders. The collected data were analyzed using the interactive model proposed by Miles, Huberman, and Saldaña, consisting of data reduction, data display, and conclusion drawing. The findings indicate that digital gold installment transactions generally fulfill several essential contractual requirements, including mutual consent between the contracting parties and transparent payment procedures. Nevertheless, several issues remain concerning the implementation of qabd (constructive possession), delayed ownership transfer, and public understanding of Sharia-compliant digital investment mechanisms. The study concludes that although digital gold installment transactions provide practical financial benefits, their Sharia compliance depends largely on the proper implementation of Islamic contractual principles, regulatory compliance, transparency, and adherence to the fatwas governing gold trading in Islamic finance. Strengthening public literacy regarding Islamic financial transactions and enhancing Sharia supervision are essential to ensuring that digital gold installment practices remain consistent with the objectives of Islamic law (Maqāṣid al-Sharī'ah)

INTRODUCTION

The rapid advancement of digital technology has fundamentally transformed economic activities across the globe, particularly within the financial sector. The emergence of financial technology (FinTech) has introduced innovative methods of conducting commercial transactions, enabling individuals to access financial products and investment services through digital platforms. One of the fastest-growing investment products in recent years is digital gold, which allows users to purchase, sell, and accumulate gold electronically without the need to physically possess the asset at the time of the transaction. This innovation has significantly increased public participation in gold investment due to its affordability, convenience, and accessibility. Gold has long been recognized as a valuable investment instrument because of its relatively stable value and its ability to protect wealth against inflation and economic uncertainty. Traditionally, gold transactions involved direct exchanges between buyers and sellers, where ownership and physical possession were transferred simultaneously. However, technological developments have transformed this conventional practice into digital transactions facilitated by mobile applications and online investment platforms. Through these platforms, individuals are able to purchase gold in small quantities, pay in installments, and store their assets digitally under the custody of financial service providers.

Despite these technological advancements, digital gold installment transactions have generated significant discussions among Islamic scholars, economists, and practitioners of Islamic finance. From the perspective of Islamic commercial law (Fiqh Muamalah), every commercial transaction must comply with fundamental Sharia principles, including transparency (bayān), mutual consent (tarāḍī), fairness ('adl), and the absence of prohibited elements such as riba (usury), gharar (excessive uncertainty), maysir (gambling), and injustice (ẓulm). Since gold is categorized as a ribawi commodity in Islamic jurisprudence, its sale and purchase are subject to specific legal requirements that distinguish it from ordinary commercial goods. The Prophet Muhammad (peace be upon him) emphasized the importance of equality and immediacy in transactions involving gold and silver. Classical Islamic jurists therefore established strict legal provisions concerning gold trading, particularly regarding immediate payment, possession (qabd), and ownership transfer. Contemporary digital transactions, however, present new legal challenges because buyers often receive only electronic ownership records while the physical gold remains stored by service providers. Furthermore, installment payment mechanisms raise additional questions concerning contractual validity, constructive possession, deferred ownership transfer, and compliance with contemporary Islamic legal standards.

The growing popularity of digital gold investment applications in Indonesia has intensified these discussions. Various financial technology companies now provide digital platforms that enable users to purchase gold using installment schemes with relatively low initial capital. Such services have attracted a wide range of users, including young investors, salaried employees, and rural communities seeking accessible investment opportunities. While these innovations contribute positively to financial inclusion, they simultaneously

require careful examination to ensure that business practices remain consistent with Islamic legal principles and national Sharia regulations.

Indonesia, as the country with the largest Muslim population in the world, has demonstrated substantial growth in the Islamic finance industry during the last decade. Alongside this development, the National Sharia Council of the Indonesian Ulema Council (DSN-MUI) has issued several fatwas regulating gold transactions and other Islamic financial products to ensure their compliance with Sharia principles. These fatwas provide legal guidance concerning gold trading, ownership, financing mechanisms, and contractual structures within Islamic financial institutions. Nevertheless, the practical implementation of these principles in digital financial applications remains a subject of ongoing academic and legal debate. From the perspective of Fiqh Muamalah, the legality of digital gold installment transactions cannot merely be assessed based on technological sophistication or commercial convenience. Instead, the validity of such transactions depends upon whether the contractual process fulfills the essential pillars (arkān) and conditions (shurūṭ) of an Islamic contract (akad). Particular attention must be given to issues concerning offer and acceptance (ijab and qabul), ownership certainty, constructive possession (qabd hukmi), transparency of contractual terms, payment mechanisms, and protection against prohibited contractual elements. Consequently, digital innovation should not compromise the ethical and legal objectives established by Islamic commercial jurisprudence.

Educational and financial literacy also play an important role in determining the quality of Sharia compliance within digital financial transactions. Many consumers participate in digital gold investment primarily because of promotional campaigns, technological convenience, or expected financial returns without fully understanding the contractual mechanisms underlying the transactions. Limited public understanding of Islamic commercial law may increase the risk of engaging in transactions that potentially contain elements inconsistent with Sharia principles. Therefore, strengthening public awareness regarding Islamic financial literacy has become increasingly important in supporting the sustainable development of Islamic digital finance. Previous studies have examined various aspects of digital gold investment, Islamic financial technology, and Sharia compliance. Most existing studies focus on legal analysis of Islamic financial products, technological innovation in digital finance, consumer behavior, or regulatory frameworks governing Islamic financial institutions. Other studies have investigated the implementation of DSN-MUI fatwas in Islamic banking and financing products. However, relatively few empirical studies have specifically examined digital gold installment contracts from the perspective of Fiqh Muamalah using qualitative evidence collected directly from community members who actively engage in such transactions.

Moreover, many previous studies primarily discuss normative legal perspectives without comprehensively exploring how digital gold installment transactions are understood and practiced at the community level. The interaction between Islamic legal principles, digital financial technology, consumer perceptions, and actual contractual implementation remains

insufficiently investigated. This limitation creates an important research gap, particularly in understanding whether practical implementation aligns with theoretical principles established within Islamic commercial jurisprudence. This study attempts to address this gap by examining the implementation of digital gold installment contracts in Tangsimekar Village, Paseh District, Bandung Regency. The research investigates how community members conduct digital gold transactions, how contractual mechanisms are implemented through digital applications, and how these practices are evaluated from the perspective of Fiqh Muamalah. By integrating empirical field findings with Islamic legal analysis, this study seeks to provide a comprehensive understanding of the opportunities and challenges associated with Sharia-compliant digital gold investment.

The novelty of this research lies in its integration of classical Islamic commercial jurisprudence with contemporary digital financial practices through an empirical case study approach. Rather than merely discussing legal doctrines or technological developments separately, this study analyzes the compatibility between practical implementation, digital financial innovation, and Islamic legal principles simultaneously. Furthermore, the research highlights the relationship between community financial literacy, digital transaction mechanisms, and Sharia compliance, thereby contributing to the growing body of literature on Islamic digital finance. Therefore, this study aims to:

1. analyze the implementation of digital gold installment sale contracts through digital applications in Tangsimekar Village, Paseh District;
2. examine the conformity of these contractual practices with the principles of Fiqh Muamalah and relevant Sharia regulations; and
3. identify the legal, practical, and educational factors influencing the implementation of Sharia-compliant digital gold installment transactions.

The findings of this research are expected to contribute theoretically to the development of Islamic commercial law and Islamic financial technology literature while offering practical recommendations for Islamic financial institutions, digital platform providers, policymakers, religious scholars, and the wider community in promoting ethical, transparent, and Sharia-compliant digital financial transactions.

LITERATURE REVIEW

Fiqh Muamalah and Islamic Commercial Transactions

Fiqh Muamalah constitutes one of the major branches of Islamic jurisprudence governing economic, commercial, and financial transactions among individuals and institutions. Unlike acts of worship (*ibadah*), which are generally based on fixed legal rulings, *muamalah* is characterized by flexibility, allowing continuous adaptation to social and economic developments as long as the fundamental principles of Islamic law are maintained. Consequently, contemporary financial innovations, including digital financial services, may be accommodated within Islamic law provided they do not contradict the objectives and legal principles established by the Qur'an, the Sunnah, and scholarly consensus (*ijma'*). According to classical Islamic jurists, the primary objective of Fiqh Muamalah is to establish justice (*'adl*), transparency, mutual benefit (*maslahah*), and fairness while preventing exploitation, uncertainty, fraud, and

injustice in commercial activities. Every economic transaction must therefore uphold the principles of honesty (*ṣidq*), trustworthiness (*amanah*), mutual consent (*tarāḍī*), and legal certainty regarding ownership and contractual obligations.

The Qur'an explicitly permits commercial transactions while prohibiting usury (*riba*). Allah states:

"Allah has permitted trade and prohibited riba." (Qur'an 2:275)

This verse establishes the fundamental distinction between lawful commercial activities and prohibited financial practices. Consequently, all commercial contracts must be carefully evaluated to ensure that they remain free from prohibited elements while fulfilling the objectives of Islamic commercial law. Modern Islamic economic scholars further emphasize that Fiqh Muamalah should respond constructively to technological advancement and financial innovation. Digital commerce, electronic payment systems, and online investment platforms may therefore be considered permissible as long as contractual validity, ownership certainty, transparency, and Sharia compliance remain fully protected.

The Concept of Akad (Islamic Contract)

The concept of akad occupies a central position in Islamic commercial jurisprudence because every financial transaction derives its legal validity from the existence of a legitimate contract. Linguistically, akad refers to a binding agreement, while legally it signifies the mutual commitment between two or more parties to establish rights and obligations recognized under Islamic law. Islamic jurists generally identify four essential pillars (*arkān*) of a valid contract:

1. the contracting parties (*al-'aqidān*);
2. the subject matter of the contract (*ma'qud 'alaih*);
3. offer and acceptance (*ijab and qabul*);
4. the contractual objective consistent with Sharia principles.

In addition to these pillars, several legal conditions (*shurūṭ*) must also be fulfilled. The contracting parties must possess legal capacity, the object of sale must be lawful, clearly identified, and owned by the seller, while the contract itself must be concluded voluntarily without coercion, deception, or ambiguity. In the context of digital transactions, the implementation of *ijab* and *qabul* has evolved from conventional face-to-face agreements into electronic acceptance through digital platforms. Contemporary Islamic legal scholars generally recognize electronic contracts as legally valid provided that mutual consent, transparency, and contractual certainty are clearly established throughout the transaction process.

Gold Trading in Islamic Law

Gold occupies a unique legal position within Islamic commercial law because it belongs to the category of *ribawi* commodities. Transactions involving gold are therefore subject to specific legal provisions different from ordinary commercial goods. A well-known prophetic tradition narrated by Muslim states: *"Gold for gold, silver for silver... equal for equal and hand to hand."*

This hadith establishes two important legal principles governing gold transactions:

1. transactions involving identical ribawi commodities must be conducted in equal quantity;
2. ownership transfer and possession must occur immediately (taqabud) to prevent the occurrence of riba.

Contemporary scholars recognize that modern monetary systems have changed the economic function of gold from currency into an investment commodity. Consequently, many Islamic legal institutions permit deferred payment for gold under specific contractual conditions, provided that ownership, contractual certainty, and possession comply with Sharia requirements. Nevertheless, differing scholarly opinions continue regarding installment-based gold transactions, particularly when ownership transfer and physical possession do not occur simultaneously. These differences make digital gold investment an increasingly important subject of Islamic legal analysis.

Digital Gold Investment and Financial Technology

Financial Technology (FinTech) has significantly transformed financial services by integrating digital innovation into investment, payment systems, financing, and wealth management. Digital gold investment represents one of these innovations, enabling individuals to purchase gold electronically through mobile applications with relatively small amounts of capital. Digital investment platforms generally provide services such as:

- 1 electronic gold purchasing;
- 2 installment payment facilities;
- 3 digital ownership certificates;
- 4 online portfolio management;
- 5 physical gold redemption.

These technological innovations improve financial inclusion by allowing broader segments of society to participate in gold investment without requiring substantial initial capital. Despite these advantages, digital gold investment also raises several Sharia issues concerning ownership certainty, constructive possession (qabd hukmi), contractual transparency, storage mechanisms, and investor protection. Therefore, technological innovation alone cannot determine the permissibility of digital financial products; rather, compliance with Islamic legal principles remains the primary consideration.

The Concept of Qabd (Possession) in Digital Transactions

One of the most debated issues concerning digital gold transactions is the concept of qabd, which refers to the legal transfer of possession from seller to buyer. Classical Islamic jurisprudence distinguishes between two forms of possession:

- 1 Qabd Haqiqi (physical possession), where the buyer directly receives the purchased asset.
- 2 Qabd Hukmi (constructive possession), where legal ownership is transferred even though physical delivery does not immediately occur.

Contemporary Islamic financial institutions frequently apply qabd hukmi in digital financial products because technological developments allow ownership to be documented electronically while the underlying assets remain securely stored by authorized custodians. Many contemporary scholars accept constructive possession provided that:

- 1 ownership is legally transferred;
- 2 the asset genuinely exists;
- 3 buyers possess full ownership rights;
- 4 buyers may withdraw or redeem the asset whenever contractual conditions are fulfilled.

Therefore, determining whether digital gold investment complies with Islamic law largely depends upon whether constructive possession fulfills these legal requirements.

Sharia Compliance in Digital Financial Transactions

Sharia compliance refers to the conformity of financial products and business practices with Islamic legal principles. Within Islamic finance, compliance extends beyond legal validity to include ethical responsibility, transparency, accountability, fairness, and social welfare. A Sharia-compliant financial transaction must remain free from:

- 1 riba (usury);
- 2 gharar (excessive uncertainty);
- 3 maysir (gambling or speculation);
- 4 fraud and deception (tadlis);
- 5 injustice (zulum).

In Indonesia, Sharia compliance for financial products is generally guided by the fatwas issued by the National Sharia Council of the Indonesian Ulama Council (DSN-MUI). These fatwas provide comprehensive legal guidance regarding Islamic contracts, financing mechanisms, investment products, and digital financial services. Consequently, evaluating digital gold installment transactions requires both normative legal analysis and empirical assessment regarding whether practical implementation truly reflects these Sharia principles.

Previous Studies

Numerous studies have investigated Islamic financial technology, digital investment, and Sharia compliance. Previous research generally concludes that digital financial innovation offers substantial opportunities for expanding financial inclusion while simultaneously presenting new legal challenges regarding contractual validity and Islamic legal compliance. Several studies have analyzed digital gold investment from regulatory and financial perspectives, while others have examined the implementation of DSN-MUI fatwas within Islamic banking products. However, relatively few studies have combined empirical field research with Fiqh Muamalah analysis focusing specifically on installment-based digital gold transactions at the community level. Furthermore, most previous studies primarily discuss legal doctrines without comprehensively examining how users understand contractual mechanisms, ownership transfer, and Sharia principles in actual digital investment practices. This limitation highlights the need for qualitative research integrating Islamic jurisprudence with community experiences.

Theoretical Framework

This study adopts Fiqh Muamalah as its primary theoretical foundation, supported by contemporary theories of Islamic commercial law, digital finance, and Sharia compliance. The analytical framework assumes that the implementation of digital gold installment transactions can be evaluated through several interconnected dimensions.

Islamic Contract (Akad)

1. Contracting parties (al-'aqidān)
2. Offer and acceptance (ijab and qabul)
3. Object of sale (ma'qud 'alaih)
4. Contractual validity

Digital Gold Transaction

1. Digital application platform
2. Installment payment mechanism
3. Ownership transfer
4. Gold storage system
5. Redemption procedures

Sharia Compliance

1. Absence of riba
2. Absence of gharar
3. Valid qabd (possession)
4. Transparency
5. Justice and mutual consent

Expected Outcomes

1. Sharia-compliant digital transactions
2. Consumer legal certainty
3. Improved Islamic financial literacy
4. Sustainable Islamic digital finance
5. Achievement of Maqāṣid al-Sharī'ah

The framework illustrates that the permissibility of digital gold installment transactions depends not merely on technological innovation but on the extent to which every stage of the transaction fulfills the principles of Fiqh Muamalah. Accordingly, digital financial innovation should function as a means of achieving justice, transparency, legal certainty, and public welfare in accordance with the objectives of Islamic law.

METHODOLOGY

Research Design

This study employed a qualitative research approach using a descriptive case study design. A qualitative approach was selected because the research sought to obtain an in-depth understanding of the implementation of digital gold installment sale contracts and their conformity with the principles of Fiqh Muamalah. Rather than testing hypotheses or measuring variables statistically, qualitative research enables researchers to explore participants' experiences, perceptions, legal understanding, and transaction practices within their natural social context. According to Creswell (2018), qualitative research is appropriate for investigating social and legal phenomena that require comprehensive

interpretation based on participants' perspectives. Similarly, Sugiyono (2021) explains that qualitative research is suitable for examining complex social realities because it allows researchers to collect rich, contextual, and holistic information through direct interaction with research participants. A descriptive case study design was adopted because this research intended to describe systematically how digital gold installment transactions are implemented within the community and how these practices are evaluated from the perspective of Islamic commercial law (Fiqh Muamalah). The case study approach also enables an intensive examination of a particular social setting, allowing researchers to understand the legal, economic, and religious dimensions surrounding digital financial transactions.

Research Site

The research was conducted in Tangsimekar Village, Paseh District, Bandung Regency, West Java, Indonesia. The research site was selected purposively because a considerable number of community members have participated in digital gold investment through mobile applications that offer installment payment facilities. The village therefore provides a relevant setting for examining how digital financial technology has influenced investment behavior and how Islamic legal principles are understood and implemented within everyday financial transactions. Furthermore, Tangsimekar Village represents a rural community experiencing increasing exposure to digital financial services while maintaining strong religious values. This social context provides an appropriate environment for analyzing the interaction between technological innovation and Islamic commercial jurisprudence.

Research Participants

Participants were selected using purposive sampling, considering that they possessed direct experience and sufficient knowledge concerning digital gold installment transactions. The research participants consisted of the following groups:

Table 1

Participants	Main Information Obtained
Digital gold investors	Transaction practices, payment mechanisms, investment experiences
Religious leaders (<i>Ulama</i>)	Islamic legal perspectives regarding digital gold transactions
Village officials	Community economic conditions and digital financial practices
Application users	Contract implementation, ownership procedures, consumer understanding
Supporting documents	Transaction records, application features, DSN-MUI Fatwas, and relevant regulations

The diversity of participants enabled the researcher to obtain multiple perspectives, thereby strengthening the credibility of the findings through source triangulation.

Data Collection Techniques

Data were collected using three complementary techniques: observation, interviews, and documentation.

Observation

Observation was conducted to understand directly how community members utilize digital applications for purchasing gold through installment schemes. The researcher observed participants' transaction activities, application usage, payment procedures, ownership verification, and community responses toward digital gold investment. Observation also enabled the researcher to identify practical aspects that might not emerge during interviews, particularly regarding users' interaction with digital financial platforms.

Interviews

Semi-structured interviews were conducted with digital gold investors, religious leaders, village officials, and community members who had experience using digital gold investment applications.

Interview questions focused on several major issues:

1. implementation of digital gold installment transactions;
2. contractual mechanisms (akad);
3. payment and ownership procedures;
4. participants' understanding of Fiqh Muamalah;
5. compliance with Islamic commercial principles;
6. perceived benefits and risks of digital gold investment;
7. challenges encountered during transaction implementation.

Semi-structured interviews allowed participants to explain their experiences comprehensively while enabling the researcher to maintain consistency with the research objectives.

Documentation

Documentation served as supporting evidence for observational and interview findings. Documents analyzed in this study included:

1. transaction records;
2. screenshots of digital gold applications;
3. payment receipts;
4. application terms and conditions;
5. DSN-MUI Fatwas concerning gold transactions;
6. relevant government regulations;
7. photographs of research activities;
8. supporting literature on Islamic commercial law.

Document analysis strengthened research validity by providing written evidence that complemented information obtained through field observations and interviews.

Data Analysis

The collected data were analyzed using the interactive model proposed by Miles, Huberman, and Saldaña (2014), consisting of three interrelated stages.

Data Reduction

The researcher selected, categorized, simplified, and organized all collected information according to the research objectives. Data unrelated to the implementation of digital gold installment transactions were excluded, while

relevant information was grouped into several analytical themes, including contractual implementation, Sharia compliance, ownership transfer, payment mechanisms, community perceptions, supporting factors, and legal challenges.

Data Display

Following data reduction, the findings were organized into descriptive narratives, thematic categories, and summary tables. This stage enabled the researcher to identify relationships among empirical findings and facilitated interpretation of digital gold transaction practices from the perspective of Fiqh Muamalah.

Conclusion Drawing

The final stage involved interpreting empirical findings by comparing them with theories of Fiqh Muamalah, Islamic commercial law, DSN-MUI Fatwas, and contemporary literature on Islamic financial technology. Conclusions were continuously verified throughout the research process to ensure consistency, credibility, and logical coherence between empirical evidence and Islamic legal principles.

Trustworthiness of Data

To ensure the rigor and credibility of the research findings, several validation strategies were implemented. Source triangulation was conducted by comparing information obtained from digital gold investors, religious leaders, village officials, and other participants. Method triangulation involved comparing findings derived from observations, interviews, documentation, and relevant Islamic legal references. Additionally, prolonged engagement within the research setting enabled the researcher to understand participants' financial practices, legal perceptions, and transaction experiences more comprehensively. The researcher also applied member checking by confirming several interview findings with selected participants to ensure that the interpretations accurately reflected their intended meanings. Collectively, these validation strategies enhanced the credibility, dependability, confirmability, and transferability of the research findings, thereby strengthening the overall trustworthiness of the study.

RESULTS

This study investigated the implementation of digital gold installment sale contracts through digital applications from the perspective of Fiqh Muamalah in Tangsimekar Village, Paseh District, Bandung Regency. The findings are presented according to the main research objectives, namely: (1) the implementation of digital gold installment contracts, (2) the conformity of these transactions with the principles of Fiqh Muamalah, and (3) the supporting and inhibiting factors affecting Sharia-compliant digital gold transactions.

Implementation of Digital Gold Installment Sale Contracts

The findings indicate that digital gold installment transactions have become increasingly popular among community members due to the convenience and accessibility provided by mobile-based financial technology applications. Most participants reported that digital platforms enable them to invest in gold with relatively small amounts of capital through flexible installment payment schemes.

The transaction process generally begins with user registration and account verification through the selected digital application. After completing the registration process, users select the amount of gold they intend to purchase, determine the preferred installment period, and agree to the contractual terms provided by the application. Payment is then made periodically according to the agreed schedule until the purchase price has been fully settled. Participants explained that all contractual procedures are conducted electronically without direct face-to-face interaction between buyers and sellers. The application automatically records transaction details, payment schedules, account balances, and ownership information. Upon completion of the installment payments, users obtain full ownership rights over the purchased gold and may choose either to continue storing the gold digitally or request physical delivery according to the service provider's policies. The findings further reveal that participants generally perceive digital gold installment transactions as practical, transparent, and efficient. Digital applications provide detailed transaction histories, real-time gold price information, and flexible payment options that facilitate investment planning. Consequently, digital technology has expanded access to gold investment, particularly for individuals who previously faced financial limitations in purchasing physical gold.

Fiqh Muamalah Perspective on Digital Gold Installment Transactions

From the perspective of Fiqh Muamalah, the findings demonstrate that several essential elements of Islamic commercial contracts have been fulfilled within the digital transaction process. Participants voluntarily entered into contractual agreements after reviewing the terms and conditions provided by the application. Mutual consent (*tarāḍī*) was therefore considered to exist through electronic confirmation before each transaction was completed. The object of sale (*ma'qud 'alaih*) was clearly specified in terms of weight, value, and purchase price. Likewise, the contractual parties were identifiable through digital account verification procedures implemented by the service providers. These findings indicate that several basic contractual requirements recognized in Islamic jurisprudence have been accommodated within the digital transaction system.

Nevertheless, the study also identified several legal concerns regarding the implementation of *qabd* (possession). Although buyers received digital ownership records immediately after completing the transaction, the physical gold remained under the custody of the application provider until redemption was requested. This practice generated differing opinions among participants and Islamic scholars concerning whether constructive possession (*qabd hukmi*) had been sufficiently established. Several religious leaders interviewed during the research explained that constructive possession may be considered legally acceptable provided that buyers possess unrestricted ownership rights and are able to redeem their gold whenever contractual conditions have been fulfilled. However, they also emphasized that complete transparency concerning storage mechanisms, ownership status, and redemption procedures remains essential to ensure full compliance with Islamic commercial principles.

Furthermore, participants generally acknowledged that they relied heavily on the credibility of digital service providers and assumed that all operational procedures complied with existing Sharia regulations. However, only a limited number of participants demonstrated comprehensive understanding of Islamic legal principles governing digital gold transactions, particularly concerning qabd, riba, and contractual validity.

Supporting Factors for Sharia-Compliant Digital Gold Transactions

The findings identified several factors supporting the implementation of digital gold installment transactions within the community. First, technological advancement has significantly simplified investment activities through user-friendly mobile applications, secure payment systems, and transparent transaction records. Participants appreciated the ability to monitor gold prices, installment schedules, and investment portfolios in real time. Second, digital gold investment provides financial accessibility for individuals with limited financial resources. Flexible installment schemes enable community members to accumulate valuable assets gradually without requiring substantial initial capital. Third, increasing public awareness of investment and financial planning has encouraged wider participation in digital gold investment. Many participants considered gold a relatively safe investment instrument capable of protecting wealth against inflation and long-term economic uncertainty. Fourth, the availability of Islamic legal guidance, including DSN-MUI fatwas and Sharia-compliant financial regulations, provides an important normative framework supporting the implementation of digital financial products in accordance with Islamic principles.

Challenges and Inhibiting Factors

Despite the various advantages identified, the study also revealed several challenges affecting the implementation of Sharia-compliant digital gold installment transactions. One of the primary challenges concerns limited public understanding of Fiqh Muamalah. Many participants possessed only general knowledge regarding Islamic commercial law and relied primarily on promotional information provided by digital application providers. As a result, detailed understanding concerning contractual validity, ownership transfer, and Sharia compliance remained relatively limited. Another important challenge involves legal uncertainty surrounding constructive possession (qabd hukmi). While contemporary Islamic scholars generally recognize constructive possession under certain conditions, differing scholarly interpretations continue to generate public uncertainty regarding the legal status of digital gold transactions. Furthermore, participants expressed concerns regarding the security of digital platforms, potential system failures, and the credibility of service providers. Since digital transactions depend heavily upon technological infrastructure, maintaining data security, operational transparency, and consumer protection remains essential for sustaining public trust. Limited access to Islamic financial literacy programs also emerged as a significant obstacle. Participants indicated that educational activities explaining Sharia principles governing digital investment remain relatively scarce within the community.

Consequently, many users participate in digital gold investment without fully understanding the underlying Islamic legal concepts.

Summary of Findings

Overall, the findings demonstrate that digital gold installment transactions offer practical investment opportunities that are generally compatible with several fundamental principles of Fiqh Muamalah. The contractual process reflects mutual consent, contractual transparency, and clearly defined transaction objects. However, important legal considerations remain regarding constructive possession, ownership transfer, and public understanding of Islamic commercial principles. The study also confirms that technological innovation alone does not guarantee Sharia compliance. Rather, compliance depends upon the proper implementation of Islamic contractual principles, transparent operational procedures, adequate legal supervision, and continuous public education regarding Islamic financial transactions. Therefore, strengthening Sharia governance and improving Islamic financial literacy constitute essential strategies for ensuring that digital gold installment transactions remain consistent with the objectives of Islamic commercial law and Maqāṣid al-Sharī'ah.

DISCUSSION

The findings of this study demonstrate that the emergence of digital gold installment transactions reflects the ongoing transformation of commercial activities resulting from rapid technological development in the financial sector. Digital financial platforms have successfully expanded public access to investment opportunities by providing affordable, efficient, and flexible mechanisms for purchasing gold through installment schemes. Nevertheless, from the perspective of Fiqh Muamalah, technological innovation alone cannot determine the legality of a commercial transaction. Every contractual arrangement must remain consistent with the fundamental objectives and legal principles established by Islamic commercial jurisprudence. The findings indicate that the digital gold installment transactions implemented by participants generally satisfy several essential pillars (arkān) of an Islamic contract (akad). The contracting parties are clearly identified through digital verification systems, the object of sale is explicitly determined in terms of quantity and value, while mutual consent (tarāḍī) is established through electronic confirmation before the transaction is completed. These findings support the contemporary view that electronic contracts may be considered legally valid provided that they fulfill the essential contractual requirements prescribed by Islamic law. Accordingly, digital technology should be viewed as a medium for conducting contracts rather than as a factor determining their legal validity.

One of the most significant issues identified in this study concerns the implementation of qabd (possession). Classical Islamic jurisprudence requires that ownership transfer in gold transactions be accompanied by possession to prevent the occurrence of riba. However, digital financial technology has introduced the concept of constructive possession (qabd hukmi), whereby legal ownership is transferred electronically while the physical asset remains under

the custody of an authorized institution. The findings reveal that most participants accepted digital ownership records as sufficient evidence of possession because they trusted the application providers and believed that the purchased gold physically existed within secure storage facilities. Nevertheless, interviews with religious scholars indicated that constructive possession should only be considered valid if the buyer acquires unrestricted ownership rights, possesses the legal authority to redeem the gold at any time after fulfilling contractual obligations, and receives complete transparency regarding storage arrangements and ownership status. This finding demonstrates that the concept of *qabd hukmi* remains central to contemporary discussions concerning Sharia compliance in digital financial transactions.

These findings are consistent with the fatwas issued by the National Sharia Council of the Indonesian Ulema Council (DSN-MUI), which recognize modern contractual mechanisms provided that they preserve the essential objectives of Islamic commercial law. The fatwas emphasize that contractual certainty, ownership clarity, transparency, and protection against prohibited elements such as *riba* and *gharar* remain fundamental requirements regardless of technological innovation. Consequently, digital applications should not merely facilitate investment activities but must also ensure that every contractual procedure fully complies with Sharia principles. Another important finding concerns the relatively limited level of public understanding regarding Islamic commercial law. Although participants actively utilized digital investment applications, many admitted that their investment decisions were primarily influenced by convenience, promotional campaigns, and expected financial returns rather than by comprehensive knowledge of *Fiqh Muamalah*. This finding suggests that technological advancement has progressed more rapidly than public understanding of Sharia-based financial principles.

From the perspective of Islamic economics, this condition presents an important educational challenge. Islamic financial literacy should not merely introduce investment opportunities but also cultivate public understanding concerning contractual validity, ownership rights, prohibited contractual elements, and ethical financial behavior. Without adequate legal literacy, consumers may unknowingly participate in transactions that potentially contradict Islamic legal principles despite being technologically advanced and commercially attractive. The study also demonstrates that transparency constitutes one of the most critical determinants of Sharia compliance. Participants expressed greater confidence in digital gold investment when applications clearly explained contractual mechanisms, installment procedures, storage systems, administrative costs, redemption processes, and ownership documentation. These findings reinforce the principle of *bayān* (clarity), which occupies a central position within *Fiqh Muamalah*. Transparency minimizes uncertainty (*gharar*), strengthens mutual trust, and enhances legal certainty among contracting parties.

Furthermore, the findings indicate that digital financial innovation should be evaluated not only through its economic efficiency but also through the broader objectives of Islamic law (*Maqāṣid al-Sharī'ah*). Digital gold investment

has the potential to preserve wealth (*ḥifẓ al-māl*) by encouraging disciplined saving and long-term investment while simultaneously promoting financial inclusion among wider segments of society. These benefits demonstrate that financial technology may contribute positively to public welfare (*maṣlaḥah*) when implemented within an appropriate Sharia governance framework. However, achieving these objectives requires effective institutional supervision. The study highlights the importance of collaboration among digital platform providers, Islamic scholars, financial regulators, and educational institutions in ensuring that technological innovation remains aligned with Islamic ethical values. Continuous Sharia auditing, transparent governance, consumer protection mechanisms, and public education should therefore become integral components of sustainable Islamic digital finance.

The findings also contribute to the growing literature on Islamic financial technology by providing empirical evidence from a rural Indonesian community. Previous studies have primarily emphasized normative legal discussions or institutional perspectives concerning digital financial products. In contrast, this research demonstrates how ordinary consumers understand, interpret, and implement digital gold installment contracts within their daily financial activities. This community-based perspective enriches existing literature by illustrating the interaction between Islamic legal doctrine, technological innovation, and practical financial behavior. Moreover, this study confirms that Sharia compliance should not be interpreted as a static legal concept. Instead, it represents a dynamic process requiring continuous adaptation to technological development while preserving the immutable principles of Islamic law. Contemporary Islamic jurisprudence therefore needs to remain responsive to financial innovation without compromising justice, transparency, accountability, and public welfare as the ultimate objectives of Islamic commercial transactions.

Overall, the findings demonstrate that digital gold installment transactions possess considerable potential to become Sharia-compliant financial products when supported by valid contractual structures, transparent operational procedures, effective regulatory supervision, and adequate public understanding of *Fiqh Muamalah*. The integration of technological innovation with Islamic legal principles not only strengthens consumer confidence but also contributes to the sustainable development of the Islamic digital finance industry. Consequently, the future of digital gold investment should emphasize not merely technological sophistication but also the consistent realization of justice, legal certainty, ethical responsibility, and the objectives of *Maqāṣid al-Sharī'ah* in every stage of the transaction process.

CONCLUSIONS AND RECOMMENDATIONS

This study examined the implementation of digital gold installment sale contracts through digital applications from the perspective of *Fiqh Muamalah* in Tangsimekar Village, Paseh District, Bandung Regency. The findings indicate that the rapid development of digital financial technology has significantly transformed community investment behavior by providing accessible, flexible, and affordable mechanisms for purchasing gold through installment schemes. These technological innovations have broadened financial inclusion while

simultaneously introducing new legal considerations concerning Sharia compliance.

The study demonstrates that the implementation of digital gold installment transactions generally fulfills several fundamental elements of a valid Islamic contract (*akad*). The contracting parties are clearly identified through digital verification systems, the object of sale is specified transparently, and mutual consent is established electronically before the transaction is completed. These findings suggest that digital technology can effectively facilitate Islamic commercial transactions without compromising the essential contractual principles prescribed by *Fiqh Muamalah*.

However, the research also identifies important legal issues concerning the implementation of *qabd* (possession), ownership transfer, and the practical application of installment-based gold transactions. Although constructive possession (*qabd hukmi*) is widely accepted by contemporary Islamic scholars under certain conditions, its implementation requires clear legal certainty, transparent operational procedures, and unrestricted ownership rights for buyers. Consequently, Sharia compliance depends not only on technological innovation but also on the extent to which contractual mechanisms conform to Islamic legal principles.

The findings further reveal that public understanding of Islamic commercial law remains relatively limited. Most participants possessed only general knowledge regarding *Fiqh Muamalah* and tended to rely on the credibility of digital platform providers without comprehensively understanding the legal aspects of digital gold transactions. This condition highlights the importance of strengthening Islamic financial literacy to ensure that technological convenience is accompanied by adequate legal awareness.

Furthermore, the study confirms that digital gold installment transactions possess considerable potential to support the objectives of *Maqāṣid al-Sharī'ah*, particularly in preserving wealth (*ḥifẓ al-māl*) and promoting economic welfare (*maṣlaḥah*), provided that the transactions are implemented in accordance with Sharia principles. Therefore, sustainable development of Islamic digital finance requires collaboration among financial institutions, digital platform providers, Islamic scholars, regulators, and educational institutions to establish transparent, accountable, and ethically responsible financial ecosystems.

Overall, this study concludes that digital gold installment transactions may be considered compatible with *Fiqh Muamalah* when all contractual pillars and legal conditions are fulfilled, transparency is maintained throughout the transaction process, ownership rights are clearly established, and all prohibited elements, including *riba*, *gharar*, and injustice, are effectively prevented. Consequently, Sharia compliance should remain the primary foundation guiding the continuous development of digital financial innovation.

Recommendations

Based on the findings of this study, several recommendations are proposed to enhance the implementation of Sharia-compliant digital gold installment transactions. First, digital financial service providers should continuously improve the transparency of their contractual mechanisms by

providing comprehensive information regarding ownership status, gold storage systems, redemption procedures, installment calculations, and all applicable administrative fees. Transparent contractual arrangements will strengthen consumer confidence while minimizing legal uncertainty from the perspective of Fiqh Muamalah. Second, Islamic financial institutions and Sharia supervisory authorities should strengthen monitoring and supervision of digital gold investment products to ensure continuous compliance with Islamic commercial principles and relevant regulatory standards. Periodic Sharia audits and regular evaluations are essential for maintaining public trust in Islamic digital financial services. Third, educational institutions, Islamic scholars, and government agencies should intensify Islamic financial literacy programs focusing on digital financial transactions, Fiqh Muamalah, and ethical investment practices. Improving public understanding of Islamic commercial law will enable consumers to make informed financial decisions based not only on economic considerations but also on religious and ethical values. Fourth, digital platform providers should continue developing innovative financial services that integrate advanced technology with comprehensive Sharia governance frameworks. Such innovations should prioritize consumer protection, legal certainty, operational transparency, and ethical business conduct to support sustainable Islamic financial development. Finally, policymakers should encourage stronger collaboration among regulators, Islamic financial institutions, technology companies, and academic researchers to formulate comprehensive policies governing Islamic digital finance. Such collaborative efforts will contribute to the development of an inclusive, transparent, and globally competitive Islamic digital financial ecosystem.

FURTHER STUDY

Although this study provides valuable insights into the implementation of digital gold installment transactions from the perspective of Fiqh Muamalah, several limitations should be acknowledged.

First, the research was conducted exclusively in Tangsimekar Village, Paseh District, Bandung Regency. Consequently, the findings cannot be generalized directly to other regions because differences in socioeconomic conditions, digital literacy, religious understanding, and financial behavior may influence the implementation of digital gold investment practices.

Second, this study adopted a qualitative case study approach emphasizing in-depth understanding rather than statistical generalization. Future studies may employ quantitative or mixed-methods approaches to examine the relationships among Islamic financial literacy, consumer trust, digital platform quality, Sharia compliance, and investment decisions using larger and more diverse samples.

Third, the present study primarily focused on the legal aspects of digital gold installment contracts. Future researchers are encouraged to investigate additional variables, including consumer behavior, digital financial inclusion, fintech adoption, risk perception, Sharia governance, digital trust, blockchain technology, smart contracts, and artificial intelligence within the context of Islamic financial services.

Finally, comparative studies involving different digital gold investment platforms, Islamic financial institutions, or countries implementing Islamic digital finance would enrich the existing literature and provide broader perspectives regarding best practices in developing Sharia-compliant digital financial ecosystems.

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