Virtual Currencies in Light of the Multi-Stage Ijtihad Model in Financial Jurisprudence

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Abstract

Virtual currency, as one of the newly emerging subjects and a novel form of money in the global economy known as cryptocurrency, was introduced in 2009 to facilitate financial transactions and create a medium of exchange without intermediaries, in response to financial crises and widespread distrust in central institutions. This study employs a descriptive-analytical method to examine the relevant jurisprudential principles and the multi-stage ijtihad approach concerning Bitcoin. The findings indicate that, based on multi-stage ijtihad, from the perspective of individual jurisprudence, Bitcoin qualifies as a form of property (māl), its mining is not prohibited, and transactions involving it are neither usurious (ribā) nor based on excessive uncertainty (gharar). Therefore, transactions using virtual currencies are religiously valid and permissible. However, from the standpoint of governmental jurisprudence, and based on principles such as the rule of no harm (lā ḍarar) and the rule of justice (ʿadāla), until regulatory frameworks and legal mechanisms for controlling virtual currencies within the national economy are established, it is necessary to prevent transactions involving such currencies. Nevertheless, under current sanction conditions, and considering the opportunity to generate income and employment for related graduates, the use and mining of virtual currencies are deemed permissible if directed toward national interests and bypassing sanctions. Furthermore, given that Bitcoin is classified as property, the legal rulings associated with property will also apply to it.

Keywords: Virtual currency; financial jurisprudence; multi-stage ijtihad; jurisprudential principles.

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1. Introduction

Virtual currency, as a contemporary issue, must first be discussed within the conceptual framework of *newly emerging issues* (*masāʾil mustaḥdatha*), since virtual currencies fall under this category. *Masāʾil mustaḥdatha*, sometimes referred to as *nawāzil* or newly emergent cases, are legal issues where the subject matter requires a specific religious ruling but is entirely novel in its current form and had no precedent during the time of revelation or the presence of the Imams (peace be upon them), whether because the subject itself did not exist or because it now appears in a new form different from the past. This transformation prompts inquiries into the relevant ruling. For example, some items such as credit currencies did not exist in earlier periods, nor did contemporary financial transactions in banking and stock markets, which are now widespread phenomena. Other issues, such as blood and dead body parts (*dam wa ajzāʾ al-mayta*), although known in the past, did not have rational utility and were

not considered commodities, whereas they are now in demand and even traded at high prices due to rational desirability, thereby acquiring financial status (Shopaye Joybari, 2021).

These types of issues are characterized by the absence of specific textual references (naṣṣ) in the Qur'an and Sunnah, and the generalities and absolutes of existing texts are not always evidently applicable to them. Consequently, one must rely on jurisprudential inference and deductive reasoning—through a careful analysis of legal maxims and general rules—to extract the relevant rulings.

Generally, newly emerging issues are divided into two broad categories: (a) those of a financial nature, which may involve new contractual forms or financial issues not covered by traditional contracts—for example, monetary depreciation guarantees; and (b) those unrelated to financial matters, which are further subdivided into types such as medical jurisprudence (e.g., artificial insemination, organ transplants, autopsies), worship-related jurisprudence (e.g., prayer and fasting in polar regions or during space travel where standard prayer times are not feasible), and other transactional or criminal cases (e.g., slaughter using modern machinery, damages exceeding statutory *diyya*, or demolishing private property to build public roads).

The methodology used for jurisprudential analysis of newly emerging issues is not fundamentally different from that used for traditional issues. As in classical jurisprudence, reasoning proceeds through two stages: inferential evidence (*dalīl ijtihādī*) and practical principles (*aṣl ʿamalī*). In the inferential phase, the ruling is examined as both a primary and secondary ruling. Although no direct texts exist for these new issues, the application of broad jurisprudential rules can yield valid rulings. Therefore, while the method is largely the same, there are nuanced distinctions between the two types of inquiry.

Accordingly, this study aims to answer the following research question: What approach does the multi-stage *ijtihād* of financial jurisprudence take toward virtual currencies?

In the context of prior research, reference can be made to the article by Moussavian and Khansari titled *"Multi-stage Ijtihad: A Research Method for Inferring Economic Jurisprudence Issues."* According to the authors, economic and transactional domains in Islamic jurisprudence are typically confirmatory in nature (*imḍāʾī*), meaning that Islamic law often endorses existing social practices. Economic theorists devise tools and mechanisms in accordance with societal needs, while financial jurists assess these instruments within the framework of Sharīʿah principles. A major challenge in addressing issues in economic jurisprudence lies in its interdisciplinary nature and the lack of a robust research methodology. On the one hand, economic theorists often lack the requisite expertise in jurisprudence to derive legal rulings. On the other hand, these financial tools are so intricate that one cannot rely on simplistic *fatwa*-based inquiries that fail to articulate all the relevant dimensions and applications of the matter (Moussavian & Khansari, 2016).

Another notable contribution is the work by Moussavian and Tajmirriahi. From their perspective, one of the keys to economic development is the availability of diverse financial instruments. A successful economy requires financial tools that can attract both domestic and foreign investments. However, in Iran, designing such instruments is challenged by the dual requirement of aligning with the existing structures of money and capital markets while also complying with Islamic jurisprudence. Moreover, financial instruments must be defensible not only in terms of Sharīʿah compliance but also in terms of economic rationale, financial management, legal integrity, and accounting principles. Their review of existing studies shows that most lack standardized scientific methodology, with researchers relying on disparate approaches based on their individual expertise. As a result, the validity and credibility of such instruments are often undermined. They argue that the development of a scientifically robust and standardized methodology could streamline research and enhance the credibility of its findings (Moussavian & Tajmirriahi, 2018).

2. Methods and Materials

This study employed a descriptive-analytical method and relied on library-based sources to construct the argument and articulate the jurisprudential framework.

3. Distinctive Aspects of Newly Emerging Issues Compared to Non-Emerging Ones

Although the methodology of investigation for newly emerging (*mustaḥdath*) issues is essentially no different from that of established jurisprudential matters, two characteristics set these issues apart, as discussed below.

3.1. Inapplicability of Consensus and Contemporary Rational Practice in Newly Emerging Issues

Given that the subject matter of a newly emerging issue either did not exist at all in earlier times, or—if it did—the current form in which it is now encountered and questioned was previously unknown, it is evident that invoking *ijmāʿ* (consensus) in such cases lacks validity. Similarly, appealing to rational social practice (*sīrah ʿuqalāʾīyah*) as evidence is generally invalid for new issues—unless one accepts the jurisprudential principle that even post-revelation rational practice, if not repudiated by the Sharia, may be authoritative. If, however, one limits the probative value of *sīrah* to practices contemporaneous with the infallibles and validated by their silence or endorsement, then newly emerging practices fall outside this framework and cannot be used as authoritative precedents (Khademi Koosha et al., 1403).

3.2. Ambiguity in Subject Recognition in Newly Emerging Issues

Another distinguishing feature of newly emerging jurisprudential matters—especially in financial domains—is that their subject matter is often ambiguous and not clearly defined in terms of nature or reality. This contrasts with historically established matters that were well-known among the people. Misunderstanding the essence of a subject may lead to incorrect rulings. Therefore, it is essential for jurists to have full mastery of the issue. Proper inference of religious rulings in these cases depends upon correctly identifying and analyzing the true nature of the subject matter. Acquiring such expertise often necessitates consulting subject-matter specialists—for example, economists in the case of financial issues (Khademi Koosha, 2019).

3.3. Defining the Scope of Consultation with Experts on Complex Issues

When consulting with specialists, one must recognize that this consultation is solely for subject identification and not for determining religious rulings. The jurist alone is responsible for deducing the ruling, based on whether the subject conforms to a specific title found in the scriptural sources. In such cases, application of the ruling is determined based on customary understanding (*ʿurf*) (Rezaei, 2021). Virtual currency is one such newly emerging subject. A critical question is whether transactions using such currencies—which are intended to replace conventional money—are permissible. To answer this, one must first determine the essence of virtual currencies. Based on expert consultation, it becomes evident that virtual currencies lack tangible physical presence and are in fact sets of cryptographic codes generated through computational operations and transmitted via the internet. However, the permissibility of transacting with or using these currencies as saleable commodities depends on whether the necessary conditions of a valid sale are met. For instance, if the object of sale must be a physical entity, then virtual currencies cannot qualify as such.

3.4. No Essential Difference in Inferential Methodology Between Emerging and Traditional Issues in Imāmī Jurisprudence

It is now clear that both financial and non-financial newly emerging issues do not differ fundamentally in methodology from traditional jurisprudential topics. The only distinction lies in the inapplicability of consensus and historical rational practice, and the necessity to consult experts for proper subject identification. In Imāmī jurisprudence, it is held that every event or occurrence has a real ruling in Islamic law—whether known to us or not. These real rulings were revealed to the Prophet Muhammad (peace be upon him and his progeny) and preserved through the infallible Imams. Therefore, no incident in the world is devoid of a real ruling. When access to this ruling is not possible, jurists rely on apparent rulings (*ḥukm ẓāhirī*) derived from the available evidence.

The Imāmī approach to inference involves referring to specific and general scriptural texts, as well as legal maxims derived from valid sources such as the Qur'an, Sunnah, reason, and consensus. In addition, rational social practices that have not been repudiated by the Lawgiver are also considered probative (AliKarami & Keshavarzi, 2014). When a jurist expends all possible effort in extracting a ruling and obtains either certainty or a valid conjecture through evidence, then the objective has been fulfilled. If neither is obtained, the jurist resorts to one of the practical principles—such as *barāʾah* (exemption), *istiṣḥāb* (presumption of continuity), *takhyīr* (choice), or *iḥtiyāṭ* (precaution)—all of which cover every imaginable case of doubt. As such, there is no legal vacuum in Islamic law, whether in terms of real or apparent rulings. The task of the jurist is to uncover

existing rulings, not to invent new laws based on presumed benefits or harms derived from speculative reasoning. This constitutes the true nature of *ijtihād* in Shia Imāmī jurisprudence.

3.5. Necessity of Six-Step Analysis for Inferring Rulings on New Financial Transactions

Given the aforementioned characteristics of newly emerging issues, and considering the two-tiered structure of inference—namely inferential evidence and practical principles—as well as the absence of specific textual references, the process of inferring the religious ruling for new financial transactions requires the following six analytical steps:

(a) Identifying and Defining the Subject in Financial Transactions:

The first step in solving any newly emerging issue is a clear understanding of the subject. This includes collecting relevant information to accurately determine its essence, categories, origin, and associated circumstances. It must also be established whether the subject constitutes a contract, and if so, whether it can be classified under existing contractual titles.

(b) Determining the Applicability of General Legal Principles:

Once the subject is defined, one must assess which general legal rules of commercial transactions apply. If it corresponds to a recognized contract, its rules will apply accordingly. If it does not, the possibility of using general principles to justify its legitimacy must be considered. This includes examining whether newly introduced contracts can be considered valid under general contractual guidelines.

(c) Evaluating Conditions for Contractual Validity:

The third step involves assessing whether the transaction in question meets the established conditions for a valid contract. This includes verifying elements such as mutual consent and absence of coercion. It is also necessary to examine whether invalidating factors like ambiguity, excessive uncertainty (*gharar*), or conditionality apply to the transaction.

(d) Assessing Whether the Transaction Falls Under Invalid Contract Categories:

Some contracts have been specifically deemed invalid by Islamic law. It is crucial to confirm that the transaction does not fall within any of these prohibited categories.

(e) Evaluating the Application of Secondary Legal Considerations:

Secondary considerations such as undue hardship (*ḥaraj*), harm (*ḍarar*), or disruption of public order must also be assessed. If the transaction qualifies under any of these, it may alter the legal ruling from permissible to impermissible due to its consequences.

(f) Resorting to Practical Legal Principles in Case of Inconclusive Evidence:

Finally, if inferential reasoning yields no conclusive ruling—neither primary nor secondary—the jurist must apply a practical legal principle (*aṣl ʿamalī*) to determine the ruling for both the obligation and legal effect of the transaction (Shopaye Joybari, 2021).

4. Jurisprudence and Its Application in Islamic Financial Affairs

In its linguistic sense, the term *fiqh* denotes understanding, astuteness, and deep comprehension (Ibn Athir, 2020). In juristic terminology, *fiqh* refers to a specific branch of religious sciences and is defined as the knowledge of practical rulings derived from detailed evidence (Ragheb Isfahani, 2017). A *faqīh* (jurist) must employ scientific and methodological tools to attain knowledge of these practical rulings, and this rigorous intellectual effort constitutes the concept of *ijtihād*. According to Ayatollah Khoei, *ijtihād* is the effort made to identify the evidences and arguments that support legal rulings (Khoei, 2014).

Islam, in order to deepen the human engagement with both rational and scriptural sources, introduced two complementary forms of *ijtihād*. The first, and most prominent, is the scholarly *ijtihād* found in seminaries and among jurists trained in Islamic jurisprudence and legal theory, who reach the level of inference through years of dedicated study. The second form, which is more oriented toward practical implementation rather than legislation, is found among different cultures and nations. Islam affirms the commendable and just aspects of this form of rational practice. This type of *ijtihād* is not legislative in nature, but rather draws its legitimacy from rational principles and general scriptural indications. It identifies desirable outcomes through interpretive analysis of generalities and absolutes, striving for societal applicability and acceptance through expert validation and comprehensive subject assessment (Javadi Amoli, 2012).

The openness of the gate of *ijtihād* is among the most valuable features of the Shia tradition, creating space for innovation and engagement with new and emerging issues—particularly in financial matters. Ongoing *ijtihād* enables jurists to infer rulings for unprecedented topics by drawing from both reason and scripture. New issues are continuously generated by evolving social circumstances, and jurists must derive corresponding rulings using foundational legal principles, while avoiding subjective judgment or personal opinion. Precise recognition of these new topics is essential for the proper inference of rulings, since every ruling is tied to its specific subject. In fact, understanding the novel subject matter—shaped by contemporary developments—equips the jurist with greater awareness of contextual realities and aids in uncovering both rational associations and indicators essential for legal determination (Javadi Amoli, 2012).

When one speaks of the Islamic viewpoint on the monetary system, it does not imply that Islam must independently generate all components of that system. Rather, it means that the primary guidelines are drawn from Islam. When the question is asked, "What kind of monetary system is acceptable in Islam?" it refers to those general directives Islam has outlined—directives that are obligatory for the believers to observe. As the narrations state: "*It is upon us to provide you with the principles, and upon you to derive the branches*" or "*Our duty is to present the foundations to you, and yours is to extract the derivatives*" (Hurr Ameli, 2019). This framework applies not only to Bitcoin and cryptocurrencies, but also to conventional credit money and even minted gold and silver coins. Islam does not stipulate how gold or silver should be mined or with what machinery they should be minted, and no scholar has ever claimed otherwise.

The same logic applies to individual aspects of life. Islam encourages agriculture, animal husbandry, and trade, but it does not specify the exact seasons for sowing and harvesting, the items that should be traded, or the origin and destination of imports and exports. Hence, when one hears the term "Islamic economics," some mistakenly assume that Islam must address every technicality and economic law—such as the law of diminishing returns, supply and demand interaction, the multiplier effect, or other such formulas. However, this is not the case. These are scientific developments derived from human intellect and, like other scientific achievements, should be acquired through empirical inquiry. Islam, in a general manner, encourages thinking, exertion, and the development of civilization, and provides a set of obligatory and preferred legal instructions. If human endeavor is combined with proper implementation of these legal commands, a flourishing and efficient economy will emerge. This framework applies broadly.

Similarly, when one speaks of Islamic banking operations, it does not mean that Islam has issued formulas for calculating the inflow and outflow of funds in banks or instructions on how to construct computer systems. No one claims that Islam has detailed all these matters. Thus, the argument made by some—that Islam has no connection to banking because it does not articulate these details—is unfounded and would not be made by anyone with true juristic understanding. The real meaning is that general Islamic rules related to money must be observed. Just as when "Islamic medicine" is discussed, it does not mean that Islam replaces physiology, biology, pathology, or related fields. No credible Islamic scholar makes such claims—except for a few laypersons or semi-educated individuals, or perhaps a handful of misguided elites.

Therefore, when we use terms like "Islamic economy" or "Islamic monetary system," we do not mean that Islam has already detailed everything found in economic textbooks or the works of Adam Smith, James Ricardo, John Maynard Keynes, Milton Friedman, and others. Rather, many of these principles are objective realities that must be reached through scientific inquiry. Islam provides general rulings and preferences, and where those rulings are relevant, they must be followed. Accordingly, it is repeatedly emphasized that when we label a law as "Islamic," it means that it does not conflict with Islamic legal requirements and observes religious necessities. This constitutes only part of the framework—the other part lies in the human effort and intellect needed to achieve the desired goals.

This perspective also clarifies the criticism of some who argue that Islamic banking—defined as interest-free banking—has failed to solve problems. The response is that the Islamic banking law, as ratified by the majority opinion of the Guardian Council's jurists, is only part of the solution. The rest depends on technical specialists and experts to make the system operational, problem-solving, and up-to-date. It is similar to someone who refrains from cheating, usury, uncertainty, or unlawful gain in trade, but lacks the skills for commerce, agriculture, or industrial production. Such a person cannot expect to achieve wealth and cannot justifiably complain about lack of provision. One's livelihood depends on intellectual and practical effort. A merchant, for example, must know what to buy, where to buy it from, and at what profit margin to sell it. These matters fall within the individual's responsibility and are not detailed by Islam—except in special cases.

5. Subject Identification in Financial Jurisprudence

One of the most critical discussions in jurisprudential inference (*istinbāṭ*) is the identification of the subject matter (*mawḍūʿ-shināsī*), as accurate knowledge of the subject plays a pivotal role in guiding and shaping the process of legal inference and the approach taken toward various issues. A jurist cannot issue an appropriate ruling without proper understanding of the subject (Motahari, 1985). Unfortunately, some scholars confined within conventional frameworks of *ijtihād* have limited their approach solely to rule identification, relying only on disciplines such as morphology, syntax, lexicography, rhetoric, and logic. They consider subjects outside of these traditional fields—including those aiding in subject recognition—as unnecessary or irrelevant. However, a closer examination of the mechanisms and content of jurisprudence, as well as the vast domains it addresses in the lives of religiously accountable individuals (*mukallafīn*), reveals that identifying rulings alone is insufficient. In fact, subject recognition plays an even more fundamental role in understanding divine rulings. Interestingly, even proponents of the aforementioned narrow view inadvertently engage in subject identification before turning to rule extraction (Moussavian & Khansari, 2016).

Subject identification becomes especially critical in dealing with complex and novel issues arising in today's world, particularly when such issues involve a broad audience. Financial science is one such field characterized by rapid innovation. It involves topics and products whose full comprehension requires meticulous and in-depth analysis. As financial knowledge evolves, new products and services are constantly designed, some of which are extremely complex in nature. Additionally, many financial topics are intended for wide public consumption, and failure to understand these properly may result in legal rulings that are not only materially damaging but may also inflict moral or social harm.

6. The Multi-Stage Ijtihād Method

The choice of research methodology is among the most influential factors affecting a study and its results. Therefore, the foremost consideration when selecting a research method should be its relevance and effectiveness in addressing the research problem. This concern has been carefully considered in this study. A distinct challenge in Islamic financial jurisprudence research is the interdisciplinary nature of the subject matter and the lack of a standardized scholarly research method. On one hand, financial experts typically lack sufficient understanding of jurisprudential intricacies and are therefore unable to derive religious rulings. Even when they attempt to clarify financial topics for senior jurists through *istiftāʾ* (legal inquiry), they often fail to address the jurisprudential sensitivities involved in accurate subject identification. On the other hand, financial issues are so complex that reliance on a simple *fatwa*—which may not take into account all technical dimensions and practical applications—is inadequate.

For this reason, it is appropriate to establish an intermediary link between financial jurisprudence experts and senior jurists to ensure a more precise process of legal analysis (Mahmoudi, 2019). The multi-stage *ijtihād* model in financial jurisprudence aims to create this intermediary circle. On one side, it assists researchers in gaining deeper juristic insights; on the other, it facilitates the process of subject identification for jurists. In this model—referred to as *multi-stage ijtihād*—the researcher first conducts a detailed analysis of the subject. Next, the jurisprudential dimensions are examined, and opinions are gathered from experts in financial jurisprudence. After processing this information and reconciling divergent views, the researcher summarizes the findings and, upon reaching sufficient confidence, presents the key issues to senior jurists for final religious endorsement (Moussavian & Khansari, 2016). Given that this research falls within the domain of Islamic finance, it adopts the multi-stage *ijtihād* method as its guiding approach. The following section outlines its core stages.

5.5. The Multi-Stage Ijtihād Model in Financial Jurisprudence and Its Steps

The multi-stage *ijtihād* model in financial jurisprudence, through the creation of an intermediary circle of financial-juristic experts, supports researchers in attaining deeper jurisprudential understanding and assists senior jurists in navigating complex financial subject matters (Khademi Koosha, 2019). The steps of this research method are presented below.

6.1. Identification and Selection of the Financial Subject

In the first step, the researcher selects a topic from the field of finance based on familiarity with financial sciences. Factors influencing topic selection include personal interest, research background, and external demand. This method applies particularly to financial issues that either directly pertain to financial jurisprudence or have aspects that require juristic analysis. However, apart from jurisprudential considerations, the researcher must also thoroughly examine the technical dimensions of the topic to fully understand its nature (Ejianforoshani et al., 2019). A researcher pursuing Islamic finance must possess sound knowledge of conventional finance in the relevant area to accurately assess the subject within the Islamic context. Moreover, basic familiarity with financial jurisprudence is essential to avoid reaching conclusions that contradict Sharīʿah or lack scholarly credibility (Moussavian & Khansari, 2016).

6.2. Defining the Jurisprudential Dimensions of the Financial Topic

In this stage, the juristic aspects of the selected topic are clarified through a series of structured questions. The more precise these questions are, the easier it will be for the researcher to analyze and evaluate the issue effectively (Ejianforoshani et al., 2019).

6.3. Examining Jurisprudential Sources Related to the Topic

After clarifying the jurisprudential aspects of the topic, the researcher must explore the available juristic sources relevant to the issue. These include renowned jurisprudential texts, specialized articles, and any reliable references that provide insights into the subject. Reviewing past studies that dealt with similar topics can be especially helpful in understanding argumentation patterns and incorporating them where applicable (Moussavian & Tajmirriahi, 2018).

6.4. Aligning the Jurisprudential Aspects with the Jurisprudential Evidence

At this stage, the researcher compares the jurisprudential dimensions of the topic with existing views and rulings found in scholarly sources. Using logical reasoning based on juristic texts, the researcher analyzes the compatibility of the subject with existing evidence and articulates their own view. Since errors in judgment may arise due to insufficient jurisprudential depth or misunderstanding subtle nuances, the next step involves refining or validating the viewpoint in collaboration with financial-juristic experts (Moussavian & Khansari, 2023).

6.5. Selection of Financial-Jurisprudential Experts

At this point, the researcher must present the topic to qualified experts in financial jurisprudence. It is important to clarify that these experts are not senior jurists (*marājiʿ*), but rather individuals with specialized training in both jurisprudence and finance. These experts function as an intermediary link, enhancing the researcher's jurisprudential analysis and facilitating subject clarification for the *marājiʿ*.

6.6. Gathering and Synthesizing Expert Opinions

After selecting the experts, their views on the topic are systematically collected. The researcher may use standard qualitative methods such as brainstorming, Delphi technique, focus groups, or discourse analysis. Two outcomes are possible:

(a) If a majority of experts agree with the researcher's perspective, the consolidated opinion and a summary of the supporting arguments are submitted for *istiftāʾ* to senior jurists.

(b) If most experts disagree, their objections and reasoning are shared with the agreeing experts. Should the agreeing experts change their opinion upon reviewing the objections—resulting in a majority opposition—the researcher's position is rejected. The researcher must then return to step three for deeper analysis and either revise the initial view or present stronger evidence. If, however, the agreeing experts maintain their stance after reviewing dissenting views, the consolidated opinion is still presented to the senior jurists (Moussavian & Khansari, 2023).

7. Conclusion

The jurisprudential stance toward newly emerging financial matters such as Bitcoin is fundamentally affirmative. From the perspective of Shia jurisprudence, approval of currency is not limited to conventional fiat money. The legal status (*māliyya*) of a currency is directly related to its desirability and acceptance among rational people and general public. In Shia jurisprudence, there is no doctrinal principle requiring that economic value be derived solely from consumerist benefit. Virtual currencies, including Bitcoin, clearly possess such value. The concept of a monetary backing, while historically significant in economic theory, is not inherently a requirement in jurisprudential evaluation. What matters is general public acceptance and recognition of value. Tangibility or physicality is not a precondition for either party in a contract under Islamic law. Thus, Bitcoin is not susceptible to accusations of unlawful appropriation (*akl māl bi-l-bāṭil*). Nor does virtual currency inherently violate principles of harm (*ḍarar*) or wrongdoing (*iḍrār*).

Concerns about competitive threats and transaction recordation do not influence the fundamental legal ruling and have no bearing on the main jurisprudential conclusion. Governments retain full authority to shape their monetary and fiscal strategies and may even invalidate monetary instruments that appear contrary to public interest. The guarantee of labor productivity associated with Bitcoin does not equate to gambling. The anonymity of Bitcoin's creator has no bearing on its legal status. Questions of inheritance present no legal ambiguities. The presence of third-party auditors or evaluators is not a jurisprudential requirement. The possibility of hacking does not pose a jurisprudential challenge to this type of monetary asset.

Compared with physical currencies, Bitcoin more closely aligns with Islamic and religious principles. Bitcoin qualifies as property (*māl*), it is considered fungible (*mithlī*), and its function as money derives from its facilitative role in exchange—just like any other asset or currency. Being a newly emerging phenomenon, Bitcoin does not benefit from extensive jurisprudential texts or consensus. However, with respect to volatility in value and its implications in long-term obligations such as debts, dowries, usurpation, theft, or destruction, Bitcoin is treated analogously to conventional bank money.

Once Bitcoin acquires established value and meets the three main functions of money in financial interactions, and is publicly accepted by both rational actors and social norms, it is subject to the same jurisprudential rulings as physical currencies with regard to zakat, hoarding prohibition (*kanz*), trade, endowment as capital in *muḍārabah* contracts, and khums on nominal value appreciation. Bitcoin is not tied to any specific jurisdiction and functions as a form of international currency. All Muslims and Islamic countries may adopt it as a common currency in commercial dealings, and minor juristic disagreements do not invalidate this possibility.

In summary, Islamic jurists hold both supportive and opposing views on Bitcoin. Some endorse its permissibility, while others reject it. Outside Iran, certain scholars and major religious institutions—including some senior muftis in Egypt, Turkey's religious authority, and the Palestinian Fiqh Council—have issued fatwas declaring virtual currencies impermissible. These rulings generally cite similar reasons: (1) virtual currency is not a tangible, customary, public, or legal form of money; (2) its creators and issuers are unknown; (3) it is not under the authority of legal, Islamic, or state oversight; (4) it is highly volatile and lacks stability; and (5) it can be easily used for money laundering and illegal activities.

While these concerns are legitimate and understandable from both jurisprudential and economic perspectives, some criticisms must be raised. First, jurists may overlook the significant advantage of facilitating international trade and currency exchange via virtual currencies, which could meaningfully address issues of stagnation, unemployment, and poverty among educated youth. Second, given Iran's current economic crisis—characterized by unprecedented inflation, recession, and paralyzing sanctions that have crippled the banking sector—the use of virtual currencies could provide an effective tool for mitigating these challenges. Islamic jurists and economists should not ignore this potential.

Regarding the commonly cited concern over Bitcoin's instability, used to justify its prohibition, this argument appears weak when compared to Iran's economic conditions. The national currency, affected by inflation, exchange rate fluctuations, and rising dollar prices, is currently more unstable than many virtual or traditional foreign currencies.

Ethical Considerations

All procedures performed in this study were under the ethical standards.

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Conflict of Interest

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