An Examination of the Jurisprudential and Legal Foundations for the Legitimacy of Digital Currencies in the Iranian Legal System

1. Zohre Gholamrezaei: Department of Jurisprudence and Fundamentals of Islamic Law, Cha.C., Islamic Azad University, Chalus, Iran
2. Parviz Zokaiyan*: Department of Jurisprudence and Fundamentals of Islamic Law, Cha.C., Islamic Azad University, Chalus, Iran
3. Fakhrullah Molaei Kandelos: Department of Jurisprudence and Fundamentals of Islamic Law, Cha.C., Islamic Azad University, Chalus, Iran

*Correspondence: Pzokaiyan@iauc.ac.ir

Abstract

The rapid expansion of digital currencies has created significant jurisprudential and legal challenges concerning their nature, legitimacy, ownership, and transactional validity. In the Iranian legal system, these challenges are particularly important because the legal status of emerging financial technologies must be assessed simultaneously within the framework of Islamic jurisprudence and positive law. This study examines the jurisprudential and legal foundations supporting the legitimacy of digital currencies, with particular emphasis on cryptocurrencies such as Bitcoin. The research adopts a descriptive-analytical method and evaluates the concepts of property, monetary value, lawful benefit, customary recognition, contractual consent, and the general validity of transactions. It also analyzes major jurisprudential objections to digital currencies, including gharar, jahalah, gambling, usury, unjust acquisition of wealth, and potential harm to the economic system. The findings indicate that the digital and decentralized nature of cryptocurrencies does not, in itself, negate their property status or render transactions involving them illegitimate. Where a digital currency possesses customary economic value, rational and lawful utility, transferability, and sufficient determinacy, it may constitute a legitimate object of ownership and exchange. The study further shows that the absence of recognition as official legal tender should be distinguished from the validity of private ownership and contractual transactions. Under Iranian private law, the general principles of freedom of contract and the essential conditions for the validity of transactions provide substantial capacity for recognizing cryptocurrency-related agreements, provided that they do not violate mandatory legal rules. The study concludes that the most defensible approach is one of conditional legitimacy and regulated recognition. Accordingly, digital currencies should be recognized as potentially lawful digital assets, while specific activities involving fraud, money laundering, prohibited speculation, usurious arrangements, or threats to public economic interests should remain subject to targeted regulation and legal restriction.

Keywords: Digital Currencies; Cryptocurrencies; Bitcoin; Islamic Jurisprudence; Iranian Legal System; Legitimacy; Digital Assets; Contract Law

Received: 01 May 2025
Revised: 07 September 2025
Accepted: 16 September 2025
Published: 30 September 2025

Citation: Gholamrezaei, Z., Zokaiyan, P., & Molaei Kandelos, F. (2025). An Examination of the Jurisprudential and Legal Foundations for the Legitimacy of Digital Currencies in the Iranian Legal System. *Legal Studies in Digital Age,* 4(3), 1-15.

1. Introduction

The emergence of digital currencies has created one of the most complex intersections between technological innovation, monetary theory, private law, public regulation, and Islamic jurisprudence. Digital currencies, particularly decentralized cryptocurrencies such as Bitcoin, are generated, transferred, and stored through technological infrastructures that differ fundamentally from the institutional mechanisms traditionally associated with money and financial assets. Instead of depending on a central issuing authority, many cryptocurrencies operate through distributed networks, cryptographic verification, and blockchain-based recording systems. This structural transformation has challenged established assumptions about the meaning of money, the nature of property, the source of economic value, and the conditions under which an asset may become the lawful object of ownership and exchange. The foundational characteristics of cryptocurrencies, including decentralization, digital scarcity, peer-to-peer transferability, and cryptographic control, have therefore attracted extensive interdisciplinary attention (Akhavan, 2017). From an economic perspective, these characteristics raise questions about whether a cryptocurrency can adequately perform the traditional functions of money, especially as a unit of account, medium of exchange, and store of value. The substantial volatility observed in major cryptocurrencies has intensified this debate because monetary stability has historically been treated as an important practical attribute of widely accepted currencies (Nouri, 2019). Yet economic instability alone does not resolve the more fundamental jurisprudential and legal question of whether such assets can constitute property and whether transactions involving them may be regarded as valid.

The problem is particularly significant in legal systems influenced by Islamic jurisprudence because the legitimacy of economic transactions cannot be assessed solely according to market acceptance or technological functionality. In such systems, the validity of an emerging financial phenomenon must also be examined in light of jurisprudential concepts concerning property, lawful benefit, contractual consent, uncertainty, gambling, usury, unjust enrichment, preservation of the public order, and the permissible scope of state intervention. Discussions concerning Bitcoin and other cryptocurrencies have accordingly developed around both individual jurisprudence and governmental jurisprudence, with different analytical consequences depending on whether the issue is approached as a private transaction between individuals or as a phenomenon capable of affecting monetary sovereignty, financial stability, public welfare, and the economic system (Ghezelbeiglou, 2019). The distinction between individual and governmental jurisprudence is important because the legitimacy of a transaction at the level of private relations does not necessarily determine whether the state must permit unrestricted use of the same instrument at the level of public economic policy. The broader methodological difference between individual and governmental approaches to jurisprudence has itself been examined as an important distinction in contemporary Islamic legal reasoning (Andalib, 2017). Consequently, the question of cryptocurrency legitimacy requires simultaneous consideration of private entitlement and public regulatory authority.

The Iranian legal system provides a particularly important setting for such an inquiry because its private-law structure, constitutional orientation, and financial regulatory framework operate in continuous interaction with Islamic jurisprudential principles. The legal status of cryptocurrencies in Iran has not developed through a single comprehensive legislative instrument defining all dimensions of their ownership, transfer, monetary function, enforceability, taxation, inheritance, seizure, and regulatory supervision. Rather, their legal treatment has emerged gradually through a combination of general private-law rules, financial regulations, administrative measures, and policy responses to mining, exchange, payment, and anti-money-laundering concerns. This fragmented regulatory environment has produced uncertainty regarding the relationship between regulatory restriction and private-law validity. The Iranian legal literature has therefore examined whether the prevailing legal approach should be understood primarily as one of authorization, prohibition, conditional recognition, or regulatory tolerance (Pourzamani & Razavi, 2023). Structural analyses of cryptocurrency within Iranian law likewise demonstrate the necessity of determining its legal nature before conclusions can be reached concerning the rights and obligations arising from transactions involving such assets (Khademan et al., 2021). The central difficulty is that legal systems frequently regulate new assets before reaching complete theoretical agreement about their classification, producing a gap between practical economic use and doctrinal categorization.

A major source of conceptual confusion lies in the tendency to treat the questions of monetary recognition, ownership, and transactional legitimacy as though they were identical. An asset may not qualify as official currency and may nevertheless

possess economic value capable of supporting private ownership. Similarly, the fact that a government does not recognize a cryptocurrency as legal tender does not, by itself, establish the invalidity of every contract in which that cryptocurrency constitutes the object or consideration. The jurisprudential discussion of virtual money has therefore necessarily engaged with the distinction between money as an institutional phenomenon and property as a broader category based on rational economic utility and customary value (Mirzakhani & Saadi, 2018). Historical transformations in the nature of money also demonstrate that monetary instruments have not always depended upon intrinsic material value. The transition from commodity-based forms of money to banknotes and other conventional monetary instruments illustrates the growing role of collective acceptance, institutional credibility, and social convention in the recognition of economic value (Kouchaki Golfazani & Abolhasani, 2018). This historical experience is directly relevant to digital currencies because it undermines the assumption that lack of physical substance necessarily prevents an asset from becoming economically or legally meaningful.

At the same time, cryptocurrency transactions generate genuine jurisprudential concerns that cannot be dismissed merely by referring to technological development or market demand. Their price volatility may raise questions concerning excessive uncertainty; speculative trading may resemble gambling in certain contexts; lending structures may involve interest-based arrangements; anonymous or pseudonymous transfers may facilitate unlawful activities; and fraudulent token offerings may involve unjust acquisition of property. Comparative Islamic discussions of Bitcoin have accordingly examined its compatibility with established regulations governing money and financial exchange (Basem, 2018). Jurisprudential analyses have also considered the particular rulings applicable to electronic digital currencies and whether the risks associated with Bitcoin affect its permissibility as a financial instrument (Sharif, 2020). However, these concerns should be analytically separated. The existence of unlawful uses does not necessarily demonstrate the inherent unlawfulness of the underlying asset. Many conventional financial instruments can be employed for fraud, money laundering, gambling, or usurious lending without every transaction involving those instruments becoming invalid. The appropriate legal and jurisprudential inquiry therefore concerns whether prohibited elements are inherent in cryptocurrency itself or arise only in particular transactional structures.

The public-law dimension of cryptocurrency has become increasingly important because decentralized digital currencies may weaken traditional mechanisms of monetary supervision and may facilitate cross-border movement of value outside conventional banking channels. Concerns about money laundering are especially significant because cryptocurrencies can be transferred across jurisdictions with varying degrees of identity verification and institutional oversight. The relationship between Bitcoin and money laundering, as well as the legal measures required to counter illicit use, has therefore received specific attention in Iranian legal scholarship (Farati et al., 2021). Such risks may justify licensing requirements, reporting duties, transaction monitoring, or restrictions on specific financial activities, but they do not automatically determine the private-law character of cryptocurrency. This distinction between regulation and invalidity is central to the present inquiry. Public authorities may legitimately regulate the conditions under which an economically valuable asset is exchanged without necessarily denying its existence as property. In a jurisprudential framework, similar reasoning can arise through principles related to preservation of social order and protection of collective interests. The jurisprudential rule concerning preservation of the system has been examined as an important component of Imam Khomeini's legal-political thought (Jamalzadeh & Babakhani, 2017), and such principles provide a basis for distinguishing between intrinsic transactional validity and state-imposed restrictions justified by broader economic considerations.

The problem of enforceability also reveals the practical significance of recognizing cryptocurrencies as legally relevant assets. If a cryptocurrency is capable of forming part of a person's patrimony, questions necessarily arise regarding seizure, enforcement, debt recovery, inheritance, bankruptcy, and judicial execution. Iranian scholarship addressing the enforcement of civil judgments against digital currencies demonstrates that cryptocurrencies can no longer be treated as merely abstract technological phenomena disconnected from ordinary legal disputes (Javadi et al., 2023). Once individuals hold economically valuable digital assets, courts and enforcement authorities may confront claims involving identification, ownership, valuation, seizure, and transfer. These issues reinforce the need for a coherent theory of digital property within the Iranian legal system. Refusal to recognize any legal significance for cryptocurrency would create practical difficulties whenever debtors hold substantial digital assets while creditors seek satisfaction of enforceable claims.

Against this background, the objective of this study is to examine the jurisprudential and legal foundations that may support the legitimacy of digital currencies within the Iranian legal system. The study seeks to determine whether cryptocurrencies can possess legally and jurisprudentially recognized property value, whether transactions concerning them can satisfy the general requirements of valid contracts, and whether the principal objections based on uncertainty, gambling, usury, unlawful enrichment, and public-order considerations necessarily invalidate such transactions. It further aims to distinguish private transactional legitimacy from monetary recognition and governmental regulation. The central argument developed throughout the article is that the legitimacy of digital currencies should not be assessed through a single categorical judgment applicable to every cryptocurrency and every transaction. Instead, legitimacy depends upon the economic characteristics of the relevant digital asset, the structure of the transaction, the existence of rational and lawful utility, the level of informational transparency, and compliance with mandatory legal and jurisprudential restrictions.

Methodologically, the study adopts a descriptive-analytical approach based on jurisprudential and legal sources. It first clarifies the concepts of digital currency, money, property, and financial value before examining the ability of cryptocurrencies to satisfy jurisprudential requirements concerning mality and lawful benefit. It then evaluates the principal jurisprudential objections to cryptocurrency transactions by drawing on general rules of Islamic commercial jurisprudence and contemporary studies addressing Bitcoin and digital financial instruments. Finally, the study analyzes cryptocurrency under the general principles of Iranian private law while considering the role of governmental regulation and financial-system protection. This integrated approach is necessary because an exclusively technological analysis cannot determine legal legitimacy, while a purely doctrinal analysis that ignores the economic and technical characteristics of digital currencies risks applying traditional classifications without sufficient attention to the nature of the emerging phenomenon.

2. Conceptual Foundations and Legal Nature of Digital Currencies

Any inquiry into the legitimacy of digital currencies must begin with conceptual clarification because the expressions “digital currency,” “cryptocurrency,” “virtual currency,” “digital asset,” and “electronic money” are frequently used interchangeably despite important differences in their technological and legal structures. Digital currency, in its broadest sense, refers to value represented and transferred in electronic form, whereas cryptocurrency ordinarily refers to a subset of digital assets whose issuance, ownership, or transfer is secured through cryptographic mechanisms. Bitcoin represents the paradigmatic example because its network was designed to allow decentralized transfer without requiring a central monetary institution to validate each transaction. The technical foundations of Bitcoin and blockchain technology show that cryptocurrency ownership is represented through cryptographic control over transferable units recorded on a distributed ledger rather than through physical possession (Akhavan, 2017). This characteristic complicates traditional property classifications because the asset is neither a tangible object nor merely a contractual claim against an identified issuer. Instead, it is a network-based economic entitlement whose practical control depends upon access to cryptographic credentials.

The economic nature of digital currency is similarly complex. Traditional monetary theory ordinarily evaluates money through functions such as medium of exchange, unit of account, and store of value. Cryptocurrencies can perform some of these functions, but their effectiveness varies considerably according to market acceptance, technological infrastructure, and price stability. Research comparing cryptocurrency volatility with traditional assets such as the euro-dollar exchange rate and gold demonstrates that volatility remains a defining economic challenge for many cryptocurrencies (Nouri, 2019). Yet volatility does not necessarily prevent an asset from possessing monetary characteristics. Foreign currencies, commodities, securities, and other financial assets can experience substantial price movements while retaining legal recognition. The more significant issue is whether the relevant community treats the asset as possessing exchange value and whether its use is sufficiently established to give it an objectively ascertainable economic function. In this respect, cryptocurrency may occupy an intermediate position between money, investment asset, commodity, and transferable financial property.

The jurisprudential concept of property is particularly important because legitimacy does not depend exclusively upon whether cryptocurrency qualifies as money. Classical and contemporary Islamic jurisprudence has long recognized that the category of property is broader than currency. Property is generally associated with rational utility, customary economic value, capacity for lawful appropriation, and the possibility of exclusive or transferable control. General jurisprudential discussions of legal rules governing property and transactions indicate that the identification of property frequently depends upon customary

recognition and rational benefit rather than exclusively upon physical form (Mostafavi, 2000). This provides an important analytical basis for digital assets because their lack of corporeal existence does not, in itself, eliminate the possibility of economic appropriation. Modern economies already recognize numerous valuable intangible interests, including intellectual property, financial claims, securities, contractual rights, and electronically recorded balances. Accordingly, the relevant question is not whether cryptocurrency can be touched physically but whether it constitutes a scarce, controllable, transferable, and economically valued interest capable of being the subject of lawful transactions.

The historical evolution of money further supports a functional rather than purely material understanding of monetary value. Earlier forms of money often possessed intrinsic commodity value, whereas modern banknotes largely derive their monetary function from legal recognition, collective acceptance, and confidence in issuing institutions. Jurisprudential and economic analyses of changes in the nature of money have emphasized that the transition toward representational and fiat forms demonstrates the importance of convention in the formation of monetary value (Kouchaki Golfazani & Abolhasani, 2018). Digital currency extends this historical trajectory by replacing physical representation with technologically verifiable scarcity and network-based consensus. Nevertheless, an important distinction remains: fiat currency typically derives from sovereign authority and possesses legally defined monetary status, while decentralized cryptocurrency may derive its exchange value principally from decentralized demand and technological confidence. The absence of an issuing state therefore affects its monetary classification, but it does not necessarily eliminate its status as valuable property.

This distinction is reflected in studies examining the financial-jurisprudential nature of virtual money. The legal and jurisprudential classification of Bitcoin has been approached through competing theories that characterize it as money, commodity, financial asset, intangible property, or a sui generis digital phenomenon (Mirzakhani & Saadi, 2018). Similar structural analysis within Iranian law has shown that a rigid classification may be difficult because cryptocurrencies combine characteristics traditionally associated with several legal categories (Khademan et al., 2021). They may function as a means of payment in one transaction, as an investment asset in another, and as a transferable store of economic value in a third. This functional plurality suggests that the legal consequences of cryptocurrency should not necessarily depend upon a single universal label. What matters is the specific legal relationship in which the digital asset is used.

From a private-law perspective, the concept of property must also be distinguished from the narrower concept of legal tender. Legal tender is ordinarily determined through public monetary law and identifies the officially recognized instrument for discharging monetary obligations under specified conditions. Property, by contrast, encompasses a much broader range of assets that individuals may lawfully acquire, transfer, inherit, pledge, or exchange. A work of art, precious metal, foreign currency, share, or contractual claim need not constitute domestic legal tender in order to possess legal value. The same analytical distinction may be applied to cryptocurrency. Iranian scholarship examining the legal status of Bitcoin has treated its jurisprudential and legal recognition as a problem distinct from its formal monetary status (Roshan et al., 2019). Likewise, analyses of the Iranian legal system's approach to virtual cryptocurrencies suggest that the distinction between regulatory authorization and absolute legal prohibition is essential when evaluating validity (Pourzamani & Razavi, 2023). Consequently, a refusal to recognize Bitcoin as official currency cannot logically establish that it lacks all private-law value.

The question of lawful utility is another central element in determining the legal nature of cryptocurrency. Property in jurisprudential analysis is not ordinarily recognized merely because someone subjectively desires an object; it must possess a rational and legally permissible benefit. Cryptocurrencies can provide several forms of utility, including cross-border value transfer, digital settlement, investment, decentralized financial participation, and access to blockchain-based ecosystems. Whether every such use is lawful is a separate question, but the existence of lawful functions supports the proposition that cryptocurrency cannot categorically be described as economically useless. Studies examining Bitcoin from financial, legal, and Islamic jurisprudential perspectives have accordingly addressed both its economic functions and its compliance with jurisprudential standards (Samadi Largani & Shahir, 2017). Comparative legal analyses of Bitcoin transactions have similarly recognized that the underlying technology creates genuine forms of financial exchange, even though those exchanges must remain subject to applicable legal controls (Mazaal, 2020).

Scarcity and exclusivity further strengthen the argument for property recognition. Bitcoin, for example, is designed according to a protocol that limits issuance, while control over specific units depends upon valid cryptographic authorization. Although cryptocurrency units do not exist as physical objects, they are not infinitely reproducible by individual users in the

way that ordinary digital information may be copied. This engineered scarcity enables them to acquire exchange value and allows holders to exercise economically meaningful control. Such features resemble core functions traditionally associated with property: exclusion, control, transferability, and economic benefit. The fact that these functions are implemented technologically rather than physically should not obscure their legal significance. Digitalization changes the mechanism of control but does not necessarily eliminate the underlying proprietary relationship.

Nevertheless, cryptocurrencies are not homogeneous, and their legal treatment should reflect differences among them. A decentralized cryptocurrency such as Bitcoin differs fundamentally from a stablecoin backed by identifiable reserves, a token representing a contractual claim, a security token linked to investment rights, or a central bank digital currency issued by a sovereign monetary authority. The jurisprudential assessment of each category may vary because the source of value, level of uncertainty, issuer obligations, redemption mechanisms, and underlying economic purpose differ. A token promising a share in profits may raise issues distinct from a decentralized payment token, while an asset whose value depends upon undisclosed or fraudulent representations may fail requirements of lawful and informed exchange regardless of the broader legitimacy of cryptocurrency as a category. The scholarly literature that uses Bitcoin as a model for digital currency should therefore be understood as providing foundational analysis rather than a complete legal solution for every type of digital asset (Basem, 2018). The increasing diversity of tokenized assets makes functional classification increasingly necessary.

A related conceptual distinction concerns possession and ownership. In conventional property law, possession frequently has a physical dimension, whereas cryptocurrency possession is better understood as practical control over the cryptographic means necessary to authorize transfers. This does not mean that control and ownership are always identical. For example, a cryptocurrency exchange may hold private keys while the economic entitlement belongs to a customer under the terms of an account relationship. Conversely, a person who unlawfully obtains private keys may exercise factual control without possessing lawful title. These distinctions become especially significant in judicial enforcement. Research concerning the enforcement of civil judgments against digital currencies demonstrates that the existence of digital assets requires legal mechanisms for identifying and reaching value even when possession is technologically mediated (Javadi et al., 2023). The need to distinguish legal ownership from technological access therefore supports recognition of cryptocurrency as an object of legal relations rather than treating cryptographic control as legally self-defining.

Ultimately, the legal nature of digital currencies is best understood through a layered approach. At the technological level, cryptocurrency is a cryptographically controlled digital unit recorded through a network protocol. At the economic level, it may function as an exchange instrument, investment asset, or store of value. At the jurisprudential level, its legitimacy depends upon whether it possesses rational and lawful utility, recognizable economic value, and sufficient determinacy to become the object of lawful transactions. At the private-law level, it may constitute intangible property or a financial asset even without official monetary status. At the public-law level, its use may be subject to extensive regulation because of monetary, fiscal, energy, crime-prevention, or financial-stability concerns. This multidimensional classification provides the conceptual foundation for evaluating the jurisprudential legitimacy of cryptocurrency without reducing the inquiry to the narrow question of whether it should be treated as official money.

3. Jurisprudential Foundations for the Legitimacy of Digital Currencies

The primary jurisprudential question concerning digital currencies is whether they possess mality, or legally relevant property value, within the framework of Islamic commercial jurisprudence. If cryptocurrency cannot constitute property, transactions involving it may encounter fundamental difficulties because the exchanged subject would lack recognized economic value. If, however, cryptocurrency possesses customary value, rational utility, and the capacity for lawful appropriation, the analysis shifts from categorical invalidity toward the ordinary jurisprudential rules governing transactions. Contemporary jurisprudential analysis of Bitcoin has therefore frequently focused on the financial nature of virtual money and the extent to which it can be treated as a valid object of exchange (Mirzakhani & Saadi, 2018). General jurisprudential principles support the proposition that property status is not confined to tangible objects and may depend upon rational benefit and social recognition (Mostafavi, 2000). This is especially important in modern economic life, where substantial wealth exists in intangible forms. Accordingly, the absence of physical embodiment cannot by itself establish that digital currencies lack mality.

Custom plays a central role in this analysis. Economic concepts are not static, and the objects regarded by society as valuable may change with technological and institutional development. Historical changes in the nature of money demonstrate that customary and institutional acceptance can transform instruments lacking significant intrinsic material value into widely recognized objects of exchange (Kouchaki Golfazani & Abolhasani, 2018). Cryptocurrency represents a further evolution in which scarcity, transferability, and market value are established through technological systems rather than physical substance or direct sovereign issuance. When a digital asset is widely bought, sold, inherited, secured, and valued, its social and economic recognition provides evidence of mality. This does not mean that social acceptance alone renders every use lawful, but it supports the threshold proposition that the asset is capable of entering proprietary relations.

The rule of dominion over property provides an additional basis for recognizing lawful control over digital assets once their mality is established. Islamic private-law reasoning generally recognizes the authority of owners to use and transfer their property within the limits imposed by law and jurisprudence. Imam Khomeini's extensive treatment of commercial transactions in Kitab al-Bayʿ reflects the broader jurisprudential commitment to analyzing exchange through principles of property, consent, contractual structure, and lawful economic purpose (Khomeini, 1994). If cryptocurrency is regarded as property, a holder's ability to sell, gift, transfer, or otherwise dispose of it should ordinarily follow from general proprietary principles unless a specific prohibition applies. The analytical sequence is therefore important: one should not assume illegitimacy merely because the asset is technologically novel. Instead, the question should be whether a recognized prohibitive rule overrides the general permissibility of proprietary disposition.

Consent and voluntary exchange form another major foundation. Islamic commercial jurisprudence gives substantial significance to transactions conducted through genuine mutual consent, provided that the object and purpose of the agreement are lawful. Qur'anic and jurisprudential reasoning concerning lawful trade emphasizes the distinction between consensual exchange and wrongful appropriation of property. Classical exegetical analysis has treated the prohibition of unjust acquisition alongside the permissibility of trade based on consent as a fundamental principle governing economic relations (Tabatabaei, 1995). Cryptocurrency transactions in which informed parties knowingly exchange a determinable quantity of digital assets for money, goods, services, or other property can satisfy this basic consensual structure. The fact that the subject is digital rather than physical does not negate consent, although technological complexity may increase the importance of adequate information.

The principle of contractual validity also supports a presumption in favor of transactions that satisfy the general conditions of lawful exchange. Jurisprudential rules concerning the validity and enforceability of transactions do not ordinarily require that every modern contractual object have an exact historical counterpart. Instead, established principles are applied to new economic realities. This methodological flexibility is especially necessary in financial innovation. General jurisprudential rules collected in works devoted to legal maxims provide the doctrinal instruments for evaluating emerging transactions by reference to broader principles rather than superficial analogy alone (Mostafavi, 2000). Accordingly, cryptocurrency transactions should be assessed according to whether the parties possess capacity, whether consent is genuine, whether the subject is identifiable and transferable, whether consideration is recognized, and whether the transaction contains a prohibited element.

One of the most frequently raised objections is gharar, or excessive uncertainty. Cryptocurrency prices can fluctuate significantly, and some digital projects are highly speculative. However, volatility and gharar should not be treated as identical. Market risk exists in many lawful transactions involving commodities, currencies, securities, agricultural products, and other assets. The jurisprudential concern becomes more serious when uncertainty affects the existence, identity, quantity, deliverability, or essential characteristics of the subject matter. Contemporary examinations of Bitcoin from an Islamic perspective have therefore considered whether its technical and financial characteristics generate prohibited uncertainty (Basem, 2018). The answer depends heavily on transactional structure. A spot purchase of a known quantity of Bitcoin at a determinable price, followed by immediate transfer to an identified wallet, presents a different degree of uncertainty from a speculative scheme involving an undisclosed token, ambiguous contractual rights, uncertain issuance, and exaggerated promises of profit. The latter may involve prohibited uncertainty even if the former does not.

The concept of jahalah, or material ignorance, is closely related. A valid transaction ordinarily requires sufficient knowledge of the object and counter-value to prevent serious dispute and deception. Cryptocurrency markets can satisfy this requirement when the type of asset, quantity, network, price, transfer mechanism, and contractual obligations are objectively ascertainable. Blockchain records may in some respects provide unusually precise evidence of transaction time, amount, and destination. At

the same time, technical opacity can create informational inequality between sophisticated operators and ordinary users. Jurisprudential legitimacy therefore depends not simply on whether data exists technologically but on whether the parties possess sufficient information to understand the legal and economic substance of the transaction. The literature examining jurisprudential rulings related to Bitcoin appropriately places regulatory and transactional characteristics within the analysis rather than treating the technology as inherently permissible or impermissible (Sharif, 2020).

Another objection concerns maysir or gambling. The dramatic price movements of cryptocurrencies and the prevalence of speculative trading have led some observers to compare digital-asset markets with gambling. This analogy is too broad if applied to every purchase and sale. Gambling involves a specific structure in which parties place value at risk within a wagering relationship dependent upon an uncertain event, whereas investment ordinarily involves acquisition of an asset that possesses independent economic value. A person purchasing cryptocurrency for transfer, payment, technological participation, or long-term investment is not necessarily entering a wager. However, certain derivatives, leveraged trading structures, binary outcome products, or intentionally game-like arrangements may possess characteristics much closer to gambling. Comparative jurisprudential discussion of Bitcoin has therefore emphasized the need to evaluate the mechanism of the transaction rather than merely its label (Mazaal, 2020). The proper conclusion is not that cryptocurrency is inherently gambling, but that some cryptocurrency-related transactions may become impermissible when structured as wagering.

The question of riba likewise requires differentiation. A simple exchange of one asset for another does not automatically constitute usury. The application of rules concerning riba depends upon the jurisprudential classification of the exchanged objects and the contractual structure. If cryptocurrency is treated as money, certain forms of exchange may raise questions concerning currency-exchange rules. If it is treated as property or a digital asset, a different analysis may apply. More serious concerns arise in lending arrangements where a borrower must return an increased amount solely because of the passage of time, or in financing structures designed to replicate interest. Jurisprudential studies assessing whether digital currencies comply with Islamic monetary regulations have recognized that the classification of cryptocurrency materially affects the application of financial rules (Basem, 2018). It is therefore analytically unsound to declare all cryptocurrency transactions usurious merely because digital currencies sometimes appear in lending or yield-generating arrangements.

The prohibition of unjust acquisition of wealth provides another basis for evaluating cryptocurrency activities. Fraudulent token offerings, Ponzi structures, deceptive investment platforms, market manipulation, hacking, and false representations can clearly undermine legitimate consent and result in wrongful appropriation. Nevertheless, these abuses do not define the nature of cryptocurrency itself. Traditional currencies and commodities can likewise be used in fraudulent transactions. The relevant jurisprudential inquiry must focus upon whether value is transferred through lawful exchange or through deception, exploitation, or a prohibited cause. The Qur'anic principle against wrongful consumption of property, discussed within classical interpretive literature, provides a general normative framework for this distinction (Tabatabaei, 1995). A transparent purchase of a genuine digital asset at a market price is fundamentally different from a fraudulent arrangement in which one party intentionally misrepresents the existence or value of the asset.

The rule of no harm may also be invoked because cryptocurrency markets expose users to volatility, cybersecurity risks, loss of private keys, platform failure, and fraudulent conduct. Yet risk is not equivalent to prohibited harm in every case. Economic activity always contains some probability of loss. If the mere possibility of financial loss invalidated transactions, much of commercial activity would become impossible. The jurisprudential role of harm is more appropriately directed toward preventing structures that systematically expose parties or society to unjustifiable injury. Regulatory safeguards, consumer warnings, custody standards, disclosure duties, and cybersecurity obligations may therefore represent more proportionate responses than categorical prohibition. Studies examining the legitimacy of cryptocurrency within both individual and governmental jurisprudence highlight the importance of evaluating private economic freedom together with collective consequences (Ghezelbeiglou, 2019). This dual perspective is especially relevant where individual transactions are lawful in themselves but unrestricted systemic use could create broader public risks.

Governmental jurisprudence introduces considerations that extend beyond the bilateral validity of contracts. Monetary sovereignty, financial stability, capital control, tax administration, prevention of money laundering, energy consumption, and protection of the economic system may justify state intervention. The jurisprudential principle of preserving the system provides a doctrinal basis for measures intended to protect essential social and institutional structures (Jamalzadeh &

Babakhani, 2017). Similarly, discussions of governmental and individual jurisprudence show that a rule appropriate to private conduct may be subject to different considerations when public interests are implicated (Andalib, 2017). The state may therefore impose licensing, reporting, taxation, or usage restrictions without establishing that the underlying asset is intrinsically unlawful. This distinction is crucial because governmental regulation should not automatically be confused with a declaration of inherent jurisprudential invalidity.

The rule of negation of domination may also appear in discussions concerning digital currencies where concerns arise about foreign technological dependence, transnational financial influence, or circumvention of national monetary authority. Jurisprudential analyses of the rule of nafy-e sabil have examined its broader implications for preventing forms of impermissible domination (Mesbah & Sadeghi, 2018). However, application of this principle to cryptocurrency requires careful factual analysis. Decentralized technology may, in some contexts, reduce dependence on foreign-controlled intermediaries, while in other contexts it may expose users to infrastructure, exchanges, stablecoin issuers, or protocols located outside national jurisdiction. Consequently, the rule cannot justify a universal judgment applicable to all digital currencies. Its relevance depends upon whether a specific technological or financial arrangement creates meaningful external domination or structural vulnerability.

A further consideration concerns the views expressed in classical jurisprudential writings regarding money, exchange, and commercial custom. Historical jurists did not address blockchain technology, but their analyses of currency and market practices illustrate that jurisprudential reasoning has long responded to changing forms of economic exchange. Collections of legal opinions such as Majmuʿ Fatawa demonstrate the importance of examining the substance and consequences of financial practices rather than treating every monetary form as immutable (Ibn Taymiyyah, 1995). The relevance of such classical sources lies not in extracting direct rulings on cryptocurrency but in identifying methodological principles concerning custom, value, fairness, and lawful exchange that can be applied to novel assets.

On balance, the strongest jurisprudential approach is one of conditional legitimacy. Cryptocurrency should not be deemed unlawful merely because it is decentralized, digital, volatile, or unsupported by a physical commodity. Where a digital currency possesses real economic value recognized by rational actors, can be lawfully controlled and transferred, and serves a permissible economic purpose, the basic conditions of property value can be satisfied. Transactions involving such assets may then fall within the general sphere of permissible exchange unless they contain independent prohibited elements. Conversely, a transaction may become impermissible when it incorporates excessive uncertainty, deception, gambling, usury, unlawful purpose, or serious public harm. This approach preserves the adaptability of Islamic commercial jurisprudence while maintaining its substantive restrictions on exploitative and socially harmful transactions.

4. Legal Foundations and Regulatory Status of Digital Currencies in the Iranian Legal System

The legal analysis of digital currencies in Iran begins with the distinction between recognition as official money and recognition as legally relevant property. Iranian law, like many legal systems, reserves the official monetary function for instruments recognized within the state-controlled monetary framework. Yet private law is not limited to official currency. Parties routinely transact in a wide variety of valuable assets, including foreign currency, securities, commodities, intellectual property, contractual rights, and other forms of economic wealth. The central question is therefore whether cryptocurrency possesses sufficient economic and legal characteristics to become the object of ownership and contractual exchange. Research concerning the legal status of Bitcoin in Iran has examined precisely this intersection between jurisprudential recognition and positive-law treatment (Roshan et al., 2019). Structural analysis of cryptocurrencies in the Iranian legal system similarly indicates that determination of their legal nature is necessary before their contractual and enforcement consequences can be assessed (Khademan et al., 2021).

The general concept of property in Iranian private law provides substantial flexibility for the recognition of new forms of economic value. Although many traditional provisions were drafted with tangible assets in mind, modern property relations increasingly involve intangible rights and electronically represented value. The decisive features are generally economic value, legitimate benefit, capability of attribution to a person, and legal transferability. Cryptocurrency can satisfy these characteristics where it is recognized by the market, can be controlled through private cryptographic credentials, is transferable between

holders, and has a determinable economic value. The legal literature has accordingly moved toward treating cryptocurrencies as objects that can generate proprietary rights even when their monetary classification remains contested (Khademan et al., 2021). This approach is also consistent with the practical reality that individuals acquire cryptocurrencies with ordinary money and regard them as components of their economic wealth.

Article 10 of the Iranian Civil Code provides an important contractual basis for transactions involving digital currencies because private agreements are generally valid where they do not contravene explicit law. This principle allows legal relations to develop beyond the nominate contracts expressly regulated by legislation and therefore provides considerable adaptability in response to technological innovation. Scholarship examining the Iranian legal system's approach to cryptocurrency validity has emphasized the importance of distinguishing explicit prohibition from the absence of specific authorization (Pourzamani & Razavi, 2023). Where the legislature has not declared a particular cryptocurrency transaction void and the agreement satisfies general contractual requirements, the mere novelty of the transaction should not be sufficient to deny its validity. This conclusion does not eliminate regulatory restrictions, but it places the burden of analysis on identifying an actual legal prohibition rather than assuming invalidity from legislative silence.

The requirements of Article 190 of the Civil Code provide an additional framework for evaluating cryptocurrency contracts. Intention and consent can ordinarily be established through digital transactions just as they can in electronic commerce more broadly. Capacity requirements apply to cryptocurrency traders in the same manner as other contracting parties. The subject matter can be sufficiently determinate when the contract identifies the type and quantity of cryptocurrency, the relevant blockchain network, the transfer address, and the agreed price or counter-performance. The lawful purpose requirement requires closer analysis where the transaction is connected to money laundering, prohibited goods, illegal gambling, sanctions evasion, fraudulent fundraising, or other unlawful activities. However, unlawful use should be distinguished from the inherent status of the digital asset. Legal analysis of Bitcoin and money laundering demonstrates that cryptocurrency may create enhanced enforcement challenges without necessarily rendering every transaction involving it unlawful (Farati et al., 2021).

The determinacy of the subject matter is especially significant because blockchain transactions are highly technical. A valid cryptocurrency transfer ordinarily requires identification of the digital asset, the blockchain or token standard, the quantity transferred, and the destination address. In many circumstances, this information is more objectively recorded than in traditional cash transactions because public blockchains generate immutable transaction records. Nevertheless, errors can occur when users send assets to incorrect addresses, use incompatible networks, or misunderstand the type of token involved. Legal validity therefore depends on whether the parties have sufficiently identified their obligations and whether the transaction reflects genuine agreement. The technical complexity of cryptocurrencies should not itself be equated with contractual uncertainty, but it may increase the importance of disclosure and professional duties imposed upon exchanges and custodial platforms.

Ownership raises more difficult issues because technological control and legal title are not always identical. A person holding a private key generally possesses practical power to transfer the corresponding cryptocurrency, but legal ownership may depend upon the circumstances through which that control was acquired. Stolen private keys do not confer legitimate title merely because they enable technical transfer. Similarly, when users deposit cryptocurrency with centralized exchanges, the exchange may exercise technological control while the customer retains contractual or beneficial rights. These distinctions become particularly important in insolvency and enforcement proceedings. Research examining the enforcement of civil judgments against digital currencies indicates that Iranian enforcement law must confront questions involving identification, valuation, seizure, and transfer of digital assets held by judgment debtors (Javadi et al., 2023). Such practical enforcement problems strongly support the proposition that cryptocurrency is capable of constituting legally cognizable wealth.

The transfer of cryptocurrency as contractual consideration presents another important legal question. Iranian private law allows parties considerable freedom in determining contractual counter-performance so long as the object is lawful, valuable, and sufficiently ascertainable. A contract may therefore involve the exchange of cryptocurrency for goods, services, money, or another digital asset, even if the cryptocurrency is not itself legal tender. The distinction between legal tender and contractual consideration is decisive. Parties may agree to accept a wide range of assets in satisfaction of obligations, subject to mandatory rules governing specific transactions. Studies examining the financial and legal position of Bitcoin in Iran have recognized this broader contractual relevance (Samadi Largani & Shahir, 2017). Accordingly, refusal to recognize cryptocurrency as national money should not automatically prevent parties from assigning it contractual value.

At the regulatory level, however, the state retains extensive authority over the financial consequences of cryptocurrency activity. This authority may include supervision of exchanges, anti-money-laundering controls, taxation, capital movement, payment systems, mining activities, and consumer protection. The Iranian legal system has approached cryptocurrencies through a combination of restrictions and selective forms of regulatory recognition, producing what has been described as an uncertain boundary between authorization and prohibition (Pourzamani & Razavi, 2023). Such regulatory complexity is not unusual in emerging technology markets. States often begin by restricting perceived risks and later develop more detailed licensing and supervisory systems. The legal mistake would be to treat every administrative restriction as though it were equivalent to civil invalidity. An unlicensed activity may trigger administrative or regulatory consequences without necessarily nullifying every private proprietary relation connected to the asset.

Money-laundering prevention provides a clear illustration. Cryptocurrencies may facilitate rapid cross-border transfers and can sometimes obscure the relationship between blockchain addresses and real-world identities. These characteristics create legitimate enforcement concerns, particularly where exchanges permit anonymous access or fail to implement customer identification requirements. Iranian scholarship has examined the relationship between Bitcoin and money laundering and the necessity of legal countermeasures (Farati et al., 2021). The appropriate response may include know-your-customer requirements, suspicious-transaction reporting, record retention, transaction monitoring, and enhanced supervision of digital-asset service providers. These measures regulate the manner in which cryptocurrency markets operate rather than demonstrating that cryptocurrency lacks legal value.

Mining creates another important distinction between the legal status of the asset and the legality of the method through which it is acquired. Cryptocurrency mining may implicate energy regulation, licensing, taxation, industrial policy, and unauthorized electricity consumption. A person may therefore violate administrative rules governing mining operations even though the cryptocurrency produced remains an economically identifiable digital asset. This distinction resembles other situations in which unlawful conduct affects liability without necessarily eliminating the conceptual existence of the resulting property. The legal consequences of unlawfully mined cryptocurrency may depend on specific statutory rules, confiscation provisions, or public-law sanctions, but regulatory illegality should not be automatically transformed into a universal conclusion that cryptocurrency itself is incapable of ownership.

Consumer and investor protection represents another area requiring regulatory development. Cryptocurrency users may suffer losses because of exchange insolvency, cyberattacks, fraudulent token issuance, misleading advertising, market manipulation, or operational failures. The decentralized character of some systems can make restitution particularly difficult once assets have been irreversibly transferred. Comparative legal analysis of Bitcoin transactions has emphasized the necessity of adapting existing financial and contractual principles to the distinctive risks of digital exchange (Mazaal, 2020). In Iran, clearer rules could define the duties of exchanges regarding segregation of client assets, cybersecurity, disclosure of risks, execution standards, custody arrangements, and compensation for unauthorized transactions. Such rules would strengthen rather than undermine recognition of cryptocurrency as a legitimate object of regulated economic activity.

The possibility of judicial enforcement provides one of the strongest practical arguments for legal recognition. If cryptocurrency forms part of a debtor's assets, excluding it categorically from enforcement could enable strategic concealment of wealth and undermine creditor protection. Legal research concerning the enforcement of civil judgments from digital currencies has already identified the growing importance of this issue (Javadi et al., 2023). Effective enforcement may require courts to compel disclosure of wallets, order custodial exchanges to freeze assets, determine valuation dates, or authorize transfer into accounts controlled by enforcement authorities. Technical decentralization does not eliminate legal authority over persons subject to judicial jurisdiction, although enforcement against self-custodied assets may be more difficult. The very necessity of addressing these questions demonstrates that digital currencies have moved beyond theoretical experimentation into legally significant forms of wealth.

Inheritance presents a similar challenge. Cryptocurrency owned by a deceased person may have substantial economic value, but access may depend upon private keys, seed phrases, or custodial accounts. If the asset is recognized as part of the estate, ordinary succession principles should apply, while procedural mechanisms must be developed to identify and transfer it. Denying property status would produce inequitable outcomes by excluding valuable assets from heirs and potentially allowing custodians or technically informed third parties to retain control. The same reasoning applies to marital property disputes,

bankruptcy, taxation, and security interests. A coherent legal system must therefore define the proprietary character of digital assets even if it simultaneously restricts their use in particular monetary or financial contexts.

The regulatory problem is further complicated by the decentralized and transnational nature of cryptocurrency networks. A blockchain may operate globally, while users, exchanges, developers, miners, and custodians are located in multiple jurisdictions. This creates questions of conflict of laws, jurisdiction, enforcement, and applicable regulatory standards. Governmental jurisprudence provides a useful conceptual perspective because digital currencies may implicate national economic interests extending beyond ordinary private transactions. The distinction between individual and governmental jurisprudence shows why a transaction that is permissible between individuals may nevertheless be subject to regulatory limitation when systemic interests are affected (Andalib, 2017). The rule concerning preservation of the social and political system can likewise support measures intended to protect monetary stability and public economic order (Jamalzadeh & Babakhani, 2017). Yet these principles should be applied proportionately so that legitimate innovation is not suppressed merely because new financial technologies create regulatory complexity.

A balanced Iranian framework should therefore avoid both absolute prohibition and unregulated liberalization. The first approach would disregard the economic reality and legal significance of digital assets, while the second would underestimate genuine risks involving fraud, systemic instability, taxation, capital movement, cybercrime, and consumer protection. The stronger model is regulated recognition. Under such an approach, cryptocurrency would be acknowledged as a form of digital property capable of lawful ownership and contractual transfer, while specific activities such as exchange operation, custodial services, public offerings, lending, derivatives, and payment processing would be subject to tailored regulatory requirements. Such an approach would also allow the law to distinguish among different categories of digital assets rather than imposing a single rule upon Bitcoin, stablecoins, utility tokens, investment tokens, and central bank digital currencies.

The jurisprudential and legal dimensions of this model reinforce one another. Jurisprudentially, lawful ownership and consensual exchange can be recognized where the asset possesses rational utility and no prohibited element is present. Legally, the general principles of property and contract can accommodate digitally represented value, while mandatory regulations can address specific public risks. Iranian scholarship on cryptocurrency validity already demonstrates that the existing system contains doctrinal resources for moving beyond a simplistic authorization-versus-prohibition dichotomy (Pourzamani & Razavi, 2023). Likewise, structural legal analysis suggests that cryptocurrency requires classification according to its functional characteristics rather than exclusion merely because it does not fit traditional categories perfectly (Khademan et al., 2021). The resulting framework is one in which private-law recognition and public-law regulation operate simultaneously rather than contradicting one another.

5. Conclusion

The emergence of digital currencies has exposed a significant conceptual gap between traditional legal categories and rapidly developing forms of technologically represented economic value. The central issue is not merely whether cryptocurrencies should be described as money, because monetary status constitutes only one dimension of their broader legal and economic significance. The more fundamental inquiry concerns whether a digital asset that possesses measurable exchange value, can be controlled through technological mechanisms, can be transferred between persons, and serves rational economic purposes may become a legitimate object of ownership and contractual exchange. The analysis developed in this study supports an affirmative answer, subject to the ordinary jurisprudential and legal limitations governing economic activity.

The jurisprudential legitimacy of digital currencies should primarily be assessed through the concepts of property value, rational utility, customary recognition, lawful appropriation, consent, and the absence of specific prohibitions. Physical embodiment is not an indispensable condition of property. Modern economic relations already demonstrate that substantial forms of wealth may exist as intangible rights, electronic balances, financial claims, and digitally recorded interests. Cryptocurrency extends this development by creating technologically scarce and transferable units that can function independently of centralized record keepers. Where such units possess genuine economic value and lawful utility, there is no compelling jurisprudential reason to deny their capacity to constitute property merely because their existence is digital.

Customary recognition is especially important in this regard. Economic value has historically evolved alongside social practice, technology, and institutional development. Assets that were once unfamiliar can become legally and economically significant when society treats them as objects of exchange, saving, investment, and ownership. Digital currencies have reached a level of economic integration at which their existence cannot plausibly be dismissed as purely imaginary or technically meaningless. Their market value, transferability, and practical use establish a sufficient basis for treating them as potentially valuable property, although the legitimacy of particular transactions must still be examined independently.

The distinction between the asset itself and the structure of a particular transaction is essential. Cryptocurrency should not be declared inherently illegitimate because some digital-asset transactions are speculative, fraudulent, or unlawful. Conventional money, securities, commodities, and contractual rights may also be employed in prohibited activities. The proper analysis must therefore identify whether a prohibited element exists in the specific transaction. Excessive uncertainty, gambling, usury, deception, unlawful enrichment, fraud, and prohibited purpose remain capable of rendering particular cryptocurrency arrangements invalid. Their presence, however, cannot be presumed simply because the transaction involves a digital asset.

This distinction is particularly important in relation to market volatility. Significant price fluctuation may increase investment risk, but risk and prohibited uncertainty are not conceptually identical. A transaction involving a known quantity of a genuine digital asset, exchanged at a determinable price between informed parties, differs substantially from a transaction in which the asset itself is unknown, the issuer's obligations are deceptive, or the promised return depends upon an inherently speculative or gambling-like structure. The legal and jurisprudential evaluation must therefore consider the quality of information, the determinacy of the contractual subject, the economic purpose of the agreement, and the distribution of risk between the parties.

The same reasoning applies to allegations that cryptocurrency transactions necessarily constitute gambling. The acquisition of an economically valuable asset does not become a wager merely because the asset's future price is uncertain. Otherwise, many ordinary investments would have to be classified in the same manner. Nevertheless, certain leveraged products, binary contracts, speculative derivatives, and game-like trading arrangements may approach or cross the boundary into prohibited wagering. Regulation should therefore target those structures directly rather than treating every form of cryptocurrency ownership as equivalent to gambling.

Usury must likewise be examined transactionally rather than categorically. The mere purchase, sale, or transfer of cryptocurrency does not automatically involve interest. Usurious concerns arise where lending or exchange structures contain an unlawful predetermined increment or otherwise satisfy the legal requirements of prohibited interest. Consequently, the use of cryptocurrency in an interest-bearing arrangement may be impermissible even though the underlying digital asset remains capable of lawful ownership and exchange. A clear distinction between the legal status of the asset and the validity of the financial arrangement is therefore indispensable.

Within the Iranian legal system, the most important doctrinal distinction is between legal tender and legally recognized property. Official monetary status depends upon public law and monetary sovereignty, while property status depends upon broader principles of economic value, ownership, benefit, and transferability. An asset does not need to become national currency in order to be recognized as valuable property. Foreign currencies, commodities, securities, intellectual property, and other forms of wealth provide obvious examples. Digital currencies may therefore remain outside the category of official money while still becoming legitimate objects of private ownership and contractual exchange.

The general principles of Iranian contract law possess sufficient flexibility to accommodate many cryptocurrency transactions. Where parties have genuine intention and consent, possess legal capacity, identify the subject matter with sufficient precision, and pursue a lawful purpose, there is no inherent reason why the digital nature of the object should prevent contractual validity. The freedom of contract similarly permits parties to organize economic relations around emerging forms of value unless an explicit mandatory rule prohibits the arrangement. This interpretive approach prevents technological innovation from becoming legally impossible merely because legislation has not anticipated every future asset form.

Regulatory restrictions must nevertheless be taken seriously. Cryptocurrency may create substantial public risks involving money laundering, tax evasion, fraud, cybercrime, capital flight, unauthorized financial intermediation, and threats to consumer protection. The decentralized architecture of some cryptocurrencies can also complicate monetary supervision and judicial enforcement. These concerns justify governmental intervention. However, regulation should be distinguished from civil

invalidity. A state may impose licensing requirements, reporting duties, exchange controls, transaction limits, taxation rules, or anti-money-laundering standards without declaring the underlying asset nonexistent or incapable of ownership.

This distinction has important consequences for judicial practice. Cryptocurrencies may form part of a debtor's wealth, an estate, marital property, investment holdings, or business assets. Courts must therefore be able to determine ownership, identify custodians, value digital assets, order disclosure, and enforce judgments against them where legally appropriate. A legal system that fails to recognize these assets may unintentionally create opportunities for asset concealment and weaken creditor protection. Similar difficulties arise in inheritance when heirs cannot effectively claim cryptocurrency because its status has not been clearly defined.

A coherent Iranian legal framework should therefore adopt a model of regulated recognition. Such a framework should expressly recognize qualifying digital assets as forms of intangible property while preserving the state's authority to regulate particular uses. It should distinguish decentralized cryptocurrencies from stablecoins, security tokens, utility tokens, and central bank digital currencies because these instruments possess different economic structures and generate different legal risks. A single undifferentiated legal category would be unlikely to provide adequate protection or regulatory precision.

Specific legislation should also clarify the legal position of cryptocurrency exchanges and custodians. Rules are needed regarding licensing, custody of client assets, segregation of customer property, cybersecurity, disclosure, transaction execution, conflict of interest, market manipulation, and insolvency. The responsibilities of custodial platforms should be expressly defined because users may possess beneficial or contractual rights even when private keys are controlled by intermediaries. Clear rules in this area would significantly reduce uncertainty concerning ownership and remedies.

Consumer protection should form another central component of regulation. Digital-asset markets are technologically complex, and ordinary users may not understand the risks associated with irreversible transfers, private-key loss, network incompatibility, fraudulent projects, or highly volatile tokens. Mandatory disclosure, risk warnings, minimum security standards, and mechanisms for addressing unauthorized transactions would reduce preventable losses without prohibiting legitimate participation in digital markets. Regulation should be designed to improve transparency rather than eliminate the economic utility of the technology.

Anti-money-laundering regulation is equally necessary. Exchanges and other digital-asset service providers should be subject to effective identity verification, suspicious-transaction reporting, record-keeping, and compliance obligations. These measures should focus on identifiable points of interaction between decentralized networks and regulated financial activity. A risk-based approach is preferable to a categorical prohibition because it allows legitimate transactions to continue while strengthening the state's ability to investigate criminal conduct.

The Iranian legal framework should also clarify the treatment of digital assets in taxation, succession, insolvency, security interests, and civil enforcement. These areas cannot remain dependent upon uncertain analogy because cryptocurrency increasingly functions as a component of private wealth. Rules governing valuation dates, reporting obligations, seizure methods, and transfer procedures would improve predictability and reduce litigation. Recognition in these areas would further confirm the distinction between acknowledging cryptocurrency as property and endorsing it as official currency.

The analysis also demonstrates the continuing relevance of governmental jurisprudence. The state may intervene where unrestricted cryptocurrency activity threatens monetary stability, financial integrity, public order, or essential economic interests. Such intervention should nevertheless remain proportionate to the identified harm. Restrictions should be tailored to specific risks and should not automatically extend to private ownership or ordinary transactions where no public danger is present. This approach allows the legal system to preserve collective interests without abandoning the general jurisprudential principles supporting lawful property and consensual exchange.

Ultimately, the legitimacy of digital currencies in the Iranian legal system should be understood as conditional rather than absolute. Digital currencies cannot be declared universally legitimate because certain tokens, platforms, and transactions may involve deception, unlawful speculation, prohibited financing, or serious public harm. At the same time, they cannot be declared universally illegitimate merely because they are technologically novel, decentralized, volatile, or outside the category of official money. Their legal and jurisprudential status must be determined through a functional assessment of property value, lawful utility, transactional structure, contractual certainty, public consequences, and compliance with mandatory rules.

The principal conclusion of this study is therefore that the ownership and exchange of digital currencies can, in principle, be justified within both Islamic jurisprudence and Iranian private law when the relevant asset possesses recognized economic

value, serves a rational and lawful purpose, constitutes a sufficiently determinate object of transaction, and is not connected with a prohibited legal or jurisprudential element. Regulatory restrictions may lawfully govern the manner in which such assets are produced, exchanged, transferred, or used, but those restrictions should not automatically be interpreted as negating the underlying property status of digital currencies. The most defensible policy is thus neither absolute prohibition nor unrestricted acceptance, but a structured regime of conditional legitimacy combined with precise and proportionate regulation.

Ethical Considerations

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

Acknowledgments

Authors thank all who helped us through this study.

Conflict of Interest

The authors report no conflict of interest.

Funding/Financial Support

According to the authors, this article has no financial support.

References

Akhavan, P. (2017). *Digital Currencies: Bitcoin, Blockchain, and Basic Concepts*. Atingar.
Andalib, H. (2017). Similarities and Differences Between Individual and Governmental Jurisprudence. *Hayat Tayyebeh*(9).
Basem, A. A. (2018). Digital Currencies (Bitcoin as a Model) and Their Compatibility with the Regulations of Money in Islam. *Journal of the University of Sharjah*, *16*(1).
Farati, M., Shamloo, B., & Goldouzian, I. (2021). Bitcoin: Money Laundering and Countermeasures. *Legal Journal*, *13*(50), 55-74.
Ghezelbeiglou, M. (2019). *The Legitimacy of Cryptocurrencies from the Perspective of Governmental and Individual Jurisprudence* Ninth International Conference on Economics, Management, and Accounting with a Value-Creation Approach,
Ibn Taymiyyah, A. i. A. a.-H. (1995). *Majmu' Fatawa Shaykh al-Islam Ahmad ibn Taymiyyah*. King Fahd Complex for the Printing of the Holy Qur'an.
Jamalzadeh, N., & Babakhani, M. (2017). Application of the Rule of Preserving the System in Imam Khomeini's Jurisprudential-Political Thought. *Political Knowledge*(25).
Javadi, M., Gholami, Y., & Moghaddasi, M. B. (2023). Enforcement of Civil Judgments from Digital Currencies. *Research Quarterly*, *87*(121), 283-306.
Khademan, M., Nouri, F., & Koushmazar, A. (2021). Identifying the Legal Nature of Cryptocurrencies Through Structural Analysis in the Iranian Legal System. *Research Quarterly*, *85*(115), 349-372.
Khomeini, S. R. (1994). *Kitab al-Bay'*. Institute for Compilation and Publication of Imam Khomeini's Works.
Kouchaki Golfazani, M., & Abolhasani, A. (2018). *Examining Changes in the Nature of Money from Jurisprudential and Economic Perspectives and the Entry of Banknotes into the Economic Cycle* Second National Conference on Accounting, Management, and Economics with a Sustainable Employment Approach,
Mazaal, S. M. M. (2020). Financial Transactions Using Bitcoin: A Comparative Analytical Study. *Al-Majalla al-Qanuniyya*, *2*(7).
Mesbah, M. S., & Sadeghi, A. (2018). *An Analysis of the Jurisprudential Dimensions of the Rule of Nafy-e Sabil* Second National Conference on New Research in Management and Law,
Mirzakhani, R., & Saadi, H. A. (2018). Bitcoin and the Financial-Jurisprudential Nature of Virtual Money. *Economic Essays*(30).
Mostafavi, S. K. (2000). *Al-Qawa'id al-Fiqhiyya*. World Center for Islamic Sciences.
Nouri, M. (2019). Analysis of the Monetary Nature of Cryptocurrencies in the Economy: With Emphasis on Comparing the Volatility of Selected Cryptocurrencies with the Euro-Dollar and Gold. *Research Quarterly*, *3*(10), 109-130.
Pourzamani, Z., & Razavi, M. (2023). The Approach of the Iranian Legal System to the Validity of Virtual Cryptocurrencies: Authorization or Prohibition. *Scientific-Research Quarterly*, 41-79.
Roshan, M., Mozaffari, M., & Mirzaei, H. (2019). An Examination of the Jurisprudential and Legal Status of Bitcoin. *Legal Research Journal*(87).
Samadi Largani, M., & Shahir, O. (2017). *Bitcoin in Iran and Its Analysis from Financial, Legal, and Islamic Jurisprudential Perspectives* National Conference on Accounting and Management Research with an Approach to Modern Businesses,
Sharif, Y. i. H. (2020). Jurisprudential Rulings and Regulations Related to Electronic Digital Currencies (Bitcoin as a Model). *King Abdulaziz University Journal*, *28*(5).
Tabatabaei, S. M. H. (1995). *Al-Mizan fi Tafsir al-Qur'an*. Islamic Publications Office.