

Does Digital Rupiah Comply with Sharia Principle? A Classical Literature Review

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Abstract:- Does Digital Rupiah (CBDC) Comply with Sharia Principle? A Classical Literature Review. Monetary authorities in Indonesia are trying to respond to developments in digital technology by starting to review the implementation of the Digital Rupiah (CBDC). Through a white paper launched at the end of November 2022, Bank Indonesia introduced the Garuda project as part of an effort to accelerate the 2025 Indonesian payment system blueprint. A few months later, Bank Indonesia issued a Consultative Paper (CP) regarding plans to develop the Digital Rupiah. This CP is a follow-up to the publication of the Garuda Project White Paper: Navigating the Digital Rupiah Architecture. The massive development of CBDCs in several countries such as Nigeria, Bahamas, Bahrain and so on indicates that CBDCs can be an alternative payment instrument option which is basically a conversion of physical form to digital in cash rupiah. However, as Bank Indonesia which also manages the monetary policy mechanism in the sharia financial system, it is important to pay attention to sharia principle. This study attempts to analyze the literature on the thoughts of classical Muslim economists regarding the concept and nature of money. The five classical Muslim economists such as Ibn Khaldun, Al Ghazali, Ibn Taimiyah, Ibn Qoyyim and Al Maqrizi have different views. Broadly speaking, there are several aspects that are in accordance with sharia in digital Rupiah, such as the concept, creation, and use. However, the functional aspect of digital rupiah is still not in accordance with sharia as a store of wealth in digital assets which has the potential to hoard money.

Keywords:- Digital Rupiah, Central Bank Digital Currency, Sharia Principle.

I. INTRODUCTION

The flow of economic and financial digitalization is getting stronger after the Covid-19 pandemic. The behavior of people's transactions is increasingly shifting towards online along with restrictions on social mobility (social distancing). Not only that, the pandemic has also led to massive adoption of crypto assets, including their derivations in the form of DeFi and Metaverse, and triggered a phenomenon known as cryptoization. Digital disruption is no longer limited to shadow banking issues, but has also penetrated into shadow currency issues and even shadow central banking. This condition forced the world's central

banking community, including Bank Indonesia, to calibrate their policy approach. Digital transformation limited to digitizing the payment system is no longer seen as sufficient. As a public policy objective, the context of digital transformation needs to be expanded to include efforts to open public access to trusted money in digital format. In addition to meeting people's needs for fast, easy, cheap, safe and reliable transactions in the digital era, a new solution is needed to ensure the effectiveness of central bank mandate implementation, now and for the future (Zams, 2015).

Central banks around the world are actively exploring the implications of, and options for, issuing digital rupiah currency or Central Bank Digital Currency (CBDC). In an increasingly digital economy where demand for central bank notes and coins is declining rapidly, issuing CBDCs will likely become a necessity to maintain access to public money. Thus, although only a few countries have launched their CBDCs, there has been a rapid development from conceptual discussions of the benefits and risks of CBDCs to targeted research and pilots. Even some countries that have stated that they do not see an urgent need to issue CBDCs are also working to develop capabilities to issue CBDCs. So while the timeline for issuance by countries remains uncertain, these trends suggest CBDCs could soon become a top priority. (Lukonga, 2023).

Central Bank Digital Currency (CBDC) is emerging as a sustainable solution. The CBDC is seen as capable of bridging the public's need for transactions in the digital era with the need for the central bank to maintain and maintain the sustainability of the financial system that has been running for hundreds of years by placing the central bank on its axis. CBDC will make up for the limitations of existing currencies by serving as the core instrument for central banks in carrying out their mandate in the digital age. However, issuing a CBDC is not an easy matter. The central bank needs to formulate a CBDC design in a measurable manner and at the right dose so that its presence does not actually have a counterproductive impact on the economy. At the very least, the central bank needs to anchor the development of its CBDC design to three principles, namely not interfering with the implementation of the central bank's mandate in the monetary and macroprudential fields ("do no harm"), being able to coexist with existing and currently available currencies ("coexist"), and encourage innovation and efficiency. (Bank Indonesia, 2022)

Indonesia is one of the countries planning to issue a central bank digital currency. This effort is in line with the passing of the Banking Sector Strengthening and Development Law (P2SK) in January 2023 (P2SK Law, 2022) which classifies types of Rupiah as consisting of paper Rupiah, metal Rupiah, and digital Rupiah. Rupiah Digital will be issued in 2 (two) types, namely Rupiah Digital wholesale (w-Rupiah Digital) and Rupiah Digital retail (r-Rupiah Digital). Both will be developed in an integrated manner from wholesale to retail. W-Rupiah Digital is the foundation for the overall Rupiah Digital architecture. W-Rupiah Digital will act as a risk-free asset in the wholesale market as well as a complement to the current account at the central bank. In addition, w-Rupiah Digital does not provide remuneration to its holders. W-Rupiah Digital is accessed through token-based verification by its users. Tokens are seen as a suitable choice for w-Rupiah Digital because they are considered more capable of facilitating transactions between actors in financial markets which tend to be more complex. W-Rupiah Digital will use the Distributed Ledger Technology (DLT) platform.

Bank Indonesia views DLT as a solution with the potential to overcome single point of failure risk, and improve transaction integrity, boosting efficiency. The DLT w-Rupiah Digital platform will be permissioned based. This option is seen as safer and suitable for large-small volume value transactions as is common in financial market transactions.

In addition to paying attention to security and the potential risks that arise from this digital money, aspects of compliance with sharia principles are also important to study in depth. This is because the Indonesian financial system also accommodates monetary policy in the sharia financial sector which is growing quite rapidly. Based on the latest data from the Indonesian Financial Services Authority, total sharia financial assets in Indonesia have reached IDR 2375 trillion or an increase of 15% from the previous year. This achievement is equivalent to 10.69% of its contribution to conventional financial assets.

Furthermore, based on the State of the Global Islamic Economy Report 2022, this realization has also succeeded in bringing Indonesia as the seventh largest owner of Islamic financial assets in the world. However, the inclusiveness of Islamic finance is still very low. Based on data from the OJK, this year's Islamic financial inclusion index was recorded at 12.1%, which is lagging behind the national financial inclusion index of 85%. The facts above indicate a signal that the magnitude of the potential for development of Islamic finance is not directly proportional to the level of inclusivity, making aspects of conformity with Islamic principles necessary to be studied in any research on the financial system, including digital rupiah currency. In addition, Islamic principles governing Islamic finance prohibit *riba* or payment interest and *Gharar* (speculation) and this requirement will have implications for the design of the CBDC.

The largest Muslim majority population in the world makes it important for Indonesian people to get education on sharia principles contained in digital rupiah currency which is planned to be issued by Bank Indonesia. As BI has published a consultative paper for digital rupiah implementation in January 2023, followed by a Working Paper published in March 2023 from the International Monetary Fund entitled Monetary Policy Implications of Central Bank Digital Currencies Perspectives on Jurisdictions with Conventional and Islamic Banking Systems, this study attempts to enrich analysis of the literature review based on the thoughts of classical Muslim economists about the nature of the concept of money based on Islamic sharia principles.

II. LITERATURE REVIEW

➤ *Concept of Digital Rupiah*

According to Bank Indonesia's white paper regarding Digital Rupiah, Digital Rupiah is Rupiah money that has a digital format and can be used like physical money (banknotes and coins), electronic money (chips and server based), and money in Card-Based Payment Instruments/APMK (debit and credit cards) that we use today. Digital Rupiah itself is only issued by Bank Indonesia as the Central Bank of the Republic of Indonesia. Digital Rupiah is also not included in crypto assets or stablecoins.

The first step in developing BI's Digital Rupiah through the Garuda Project is to issue a White Paper as a communication to the public regarding the plan to develop Digital Rupiah. In addition, the White Paper aims to obtain input from various related parties. After the publication of the White Paper, BI will undertake a series of interactive and gradual developments starting with raising public views on the Digital Rupiah design starting from public consultations (Consultative Papers and Focus Group Discussions), technology experiments (proof of concept, prototyping, and piloting/ sandboxing), and ends with a review of the policy stance. This iterative series aims to open up a wide space of flexibility for stakeholders and the industry to prepare and conduct trials together before the Digital Rupiah is implemented.

Digital Rupiah will be issued in two types, namely wholesale Digital Rupiah (w-Digital Rupiah) with limited access coverage and only distributed for wholesale transaction settlements such as monetary operations, foreign exchange market transactions, and money market transactions; and Retail Digital Rupiah (r-Digital Rupiah) with access coverage that is open to the public and distributed for various retail transactions both in the form of payment transactions and transfers, by personal/individuals and businesses (merchants and corporations).

➤ *The Difference between Central Bank Digital Currency and Cryptocurrency*

In general, CBDC uses a private blockchain, the CBDC user's identity is tied to his bank account, serves as a means of payment as usual and the Central Bank can manage the amount of supply and network. Whereas in cryptocurrency, using a public blockchain, can use an anonymous identity,

the purpose of speculation and the payment system depends on regulations in each country and the authority that regulates

it is the crypto network market (Ministry of Finance, 2022).

Table 1. The Difference between CBDC and Cryptocurrency (source: author)

Difference	CBDC	Cryptocurrency
Anonymity	CBDC users will have their identities tied to their existing bank accounts and an equal amount of personal information so that they can become known to the government.	Anonymous crypto user or identity unknown to others
Decentralization	The central bank is entitled to determine the rules on the CBDC network	Authority is delegated to the user base which makes decisions by reaching consensus
Utility	CBDC can only be used for payments and other monetary transactions	Cryptocurrencies can be used for speculative purposes
Regulators	Bank Indonesia	Bappebti (Ministry of Trade of the Republic of Indonesia)
Scalability	CBDC is theoretically more stable compared to crypto because there is control from the central bank as it is a digital version of fiat currency	Crypto has very high volatility because its movements are not controlled by a central bank

➤ *Design of Digital Rupiah*

CBDC design plays an instrumental role in its successful implementation. The potential added value for the economy, its ability to bridge the implementation of the central bank's mandate in the monetary and macroprudential fields, and the risks will depend on the configuration of the CBDC design chosen. The Group of Central Banks (2021) outlines three basic principles that need to be considered by central banks in designing CBDCs, namely; (i) must not disrupt monetary stability and financial system stability (No harm to monetary and financial stability); (ii) being able to coexist and complement existing types of money (Coexistence and complementarity of public and private money); and (iii) encourage innovation and efficiency (Promotion of innovation and efficiency).

In this context, the formulation of the Digital Rupiah design was faced with three main issues. First, the issue of choice of CBDC architecture. The central bank will be faced with a choice between wholesale CBDC (w-CBDC) or retail CBDC (r-CBDC). W-CBDC is generally more popular in developed countries where financial markets are deep and levels of financial inclusion are already high. In contrast, r-CBDC is generally popular in developing countries where financial markets are not yet developed and the level of financial inclusion is still low. Even though it guarantees universal direct access to trusted money, the development of r-CBDC is generally more complex than w-CBDC. In addition, the central bank will also be faced with the issue of choosing an architecture that supports the interoperability of transactions between countries.

Second, the issue of CBDC's contribution to financial inclusion. If properly designed, CBDC, especially r-CBDC, will be able to encourage financial inclusion, for example through offline functionality and utilization of granular data. However, financial inclusion in principle is a public mission that needs to be accelerated. Its achievement does not have to wait or depend entirely on the issuance of the CBDC. In the Indonesian context, for example, financial inclusion is currently taking place through digitization of payment systems and services that are encouraged through BSPI 2025,

for example QRIS, SNAP, and BI-FAST. CBDC in this case will be a complement to the ongoing initiatives.

Third, the issue of meeting the aspects of integration, interoperability and interconnection (3i) of CBDCs with financial market infrastructure, including in the context of payments between countries. To achieve an efficient and integrated solution, the CBDC platform must be able to coexist with the existing financial market infrastructure. In addition, 3i capabilities in CBDC must also be present in the context of transactions between countries through the use of technology and simplification of distribution channels to overcome high transaction costs, slow transaction processing, limited access, and transactions that are not transparent.

The development of the Digital Rupiah design will be carried out iteratively and in stages. Rupiah Digital Development will be divided into 3 (three) stages. In the first (immediate) phase, development will begin with w-Digital Rupiah for use cases for issuing, destroying, and transferring funds between parties. In the next stage (intermediate), the w-Digital Rupiah use case will be expanded with additional use cases that support transactions in financial markets. In the final stage (end state), the integrated end-to-end w-Digital Rupiah to r-Digital Rupiah concept will be tested. This approach allows exploration of various Digital Rupiah design alternatives to ensure the most optimal added value. Digital Rupiah is expected to be able to present the advantages of currencies issued by central banks in the form of stability, security and efficiency, while remaining relevant to addressing challenges in the digital economy ecosystem. To be effective, implementation of the Digital Rupiah design will be supported by regulatory and policy tools. Regulatory and policy assessments will be carried out from a monetary, macroprudential, financial market deepening and legal perspective simultaneously and iteratively with the process of developing the design side.

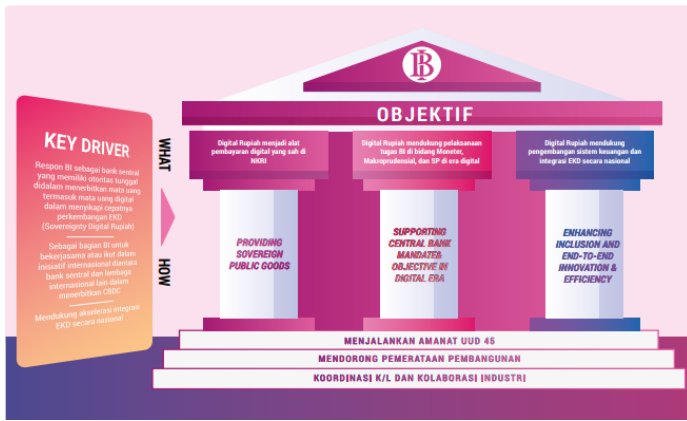


Fig 1. Framework of Digital Rupiah Development (Source: Bank Indonesia)

➤ *The Concept of Money in Sharia Principles and Islamic Economic Perspective*

As a comparison with the conventional theory of Islamic capitalism, money is discussed as a means of exchange and store of value, but money is not a commodity. Money becomes useful only when it is exchanged for stated objects or when it is used to purchase services. Therefore money cannot be sold or bought on credit. People need to understand the policy of Rasulullah SAW that not only declared interest on loans illegal but also prohibited the exchange of money and some other objects of value for exchange of unequal amounts and delayed payment if the merchandise or currency were the same. The effect is to prevent interest money from entering the economic system through unknown means.

In Islamic economics, money is not capital. Meanwhile, sometimes we are misguided in placing money. Our money is the same as capital. Money is a public good for the general public. Money is not someone's monopoly. So all have the right to have money that applies in a country. While capital is personal goods or individuals. If money is a flow concept while capital is a stock concept. In Islamic economics, motives that influence a person to have money are justified only for transactions (money demand for transactions) and just in case (money demand for precautionary).

From Islamic perspective, someone who has money with the reason of speculative motives are prohibited because money is only a medium of exchange and a standard of value. If money can buy or be bought with other money, it means that money no longer functions as a medium of exchange but as a commodity, even though this is prohibited in Islam. Based on his theory about the function of money as a medium of exchange, Ibn Taimiyyah was very much against money trading because according to him this action would eliminate the function of money itself. Currency trading means opening the widest possible door of tyranny for the population. However, he allows the exchange of money (forex) on condition that in this transaction there is a taqabul (movement or handover) of money being exchanged and there is no *hulul* (delay) in payment (Fageh, 2018).

Money in Islamic economics perspective is something that is a flow concept, not a stock concept. Money must always flow in circulation among the people in economic life because money is public goods and does not settle into private property in the form of private goods. This Islamic economic theory seems to be in line with Irving Fisher's theory that the faster the circulation of money, the greater the income earned. Therefore, based on sharia principles, Islam rejects the opinion that money is a stock concept which states that money is a way to store wealth (store of wealth).

III. METHODOLOGY

This study uses a qualitative approach based on library research and descriptive analysis. According to Sugiyono (2007), qualitative methods are research conducted to find, investigate, explain, and describe the qualities or characteristics of unusual social influences that cannot be explained, measured, or illustrated using a quantitative approach. In addition, this methodology includes a systematic review of digital money and Central Bank Digital Currency. To be effective, it is necessary to consider published and unpublished research. In this study, an exploratory study was conducted using secondary resources. Data was collected from books, research papers, conference papers, academic studies, case studies, press releases and articles which can be accessed in various public and private libraries and research databases. Electronic databases that are frequently used include Scopus, the Emerald Journal, and Taylor and Francis. Various official documents issued by Bank Indonesia also serve as the main source for this research.

This study attempts to investigate sharia principles in CBDC design plans and fills the gaps in the available literature. This study focuses on the analysis of the thoughts of classical Muslim economists about the concept of money based on sharia principles for the digital rupiah design plan.

IV. RESULTS AND DISCUSSION

In this part, the researcher elaborate thought concept money from economists Muslim classic like Ibn Khaldun, Al Ghazali, Ibn Taimiyah, Ibn Qoyyim, Ibn Rusyd, and Al Maqrizi. The six figures have influence strong and the work monumental related with the economy especially finance. The review of the classical literature departs from thoughts that occur in the period after prophethood and khulafaur rasyidin. They lived during the reign of the kingdoms and experienced an economic system which included the deep use of money. Although the difference condition era the one make it possible relevance against concept money at that time and the present is quite different, but basically the principle of sharia in interpret concept money not curb by time because Islam and the guide has been present since the Prophet Muhammad was sent as a prophet and apostle by Allah in 610 AD.

➤ *Classical Muslim Economist Thought of Ibn Khaldun*

Ibn Khaldun or the one named complete Abd al-Rahman bin Muhammad bin Khaldun al-Hadrawi (732-808 H/1332-1406 M) is a Muslim historian from Tunisia. Ibn

Khaldun is known as the founding father of historiography, sociology, and economics. He is also known as the father of economics because of his thoughts on economic theories that are arguably logical and realistic which he had put forward before Adam Smith and David Ricardo bring up theory the economy. Ibn Khaldun already life in the age currency already be tool appreciation. Where when that dinar and dirham is the currency of gold and silver. At that time, he already knew that system the economy that is with the system exchange exchange goods will start left and will switch to system the economy modern that is buying and selling with money intermediaries. When that happens, gold and silver will be at the standard level (size value).

Ibn Khaldun predicted that in the development of the economy the money standards would change. It means that from time to time in line with economic development, the once high standard of money then turns low. For example, the 1000 money that used to be able to buy 5 candies then changed by only being able to get 3 candies and this is proven to happen today. He also believes that Country the one rich not measured from large amount money the one he has but determined based on production level and balance sheet payment positive. If the state prints as much money as it does not encourage the development of the growth of the production sector then the abundant money is not there is its value, the one be support development one country is the sector production because with sector production, he will absorb the power employment, increasing employment income, and causing demand for (market) for other production. Ibn Khaldun also said that money is what determine the level prosperity. By therefore, the prosperity enjoyed is a result carried out by domestic money rich the one can influence acceleration circulation money and increasing surveillance transactions and so on increasing the amount of money in circulation.

➤ *Classical Muslim Economist Thought of Al Ghazali*

Ash Hamid Muhammad bin Muhammad bin at-Tusi al-Ghazali or the one better known as al-Ghazali, born into a family of needy but famous for its piety. He was born in the Village near Thus part of the city of Khurasan, Iran in 450 H/1056 AD. During his life he often moved cities to demand knowledge. Al-Ghazali deepens his knowledge by learning to a number scholars, he too ever occupy position as teacher big in one of the madrassas in Baghdad, the Nizhamiyah madrasa because of his intelligence.

Al-Ghazali pointed out that the function of money is *miqdâr* (size) and *wasîlah* (media intermediary) the one language modern when this called unit of account (unit count) and medium of exchange (exchange rate). He explained that money can measure the price value of various commodities and services so that it is able to mediate interests between sellers and buyers on a easy and fair. Al-Ghazali too require that in making money needed ingredients the one *besifat* hold on long (durability), because money always moves from one hand to another every day and the frequency of its displacement is frequent. The physical value of money must be kept impaired which will cause a

decrease in value and damage the monetary function of the money.

According to his perspective for theory of money, Al-Ghazali also believes that money does not have a price but can reflect the price of all goods or services. All goods and services will be assessed or measured each with money. In this case Al-Ghazali gave money supply as follows: ” (Money) The mirror is not colored on him but can bounce off any color, so does money not have benefits on it but can be useful as an intermediary media for every goal (transaction).” The money in the statement above is likened to a mirror, where the mirror has no color. But the mirror can reflect the image of the object in front of it. Likewise, money that does not have benefits on the flag but all objects or products faced with it will be assessed at what price it is. Al-Ghazali's opinion emphasize that money not is desirable because the money itself..

Money takes society not because people want the value of money the but needs the more on use money as an intermediary tool. The main function of money according to Al-Ghazali is limited to the unit count tool (unit of account) all goods and services money too function halve tool exchange (medium of exchange). New money will have value if used in an exchange (sell buy).

Al-Ghazali in his theory allowed the circulation of money that did not contain gold and silver, provided the government declared the money as an official pay tool. If there is a decrease in the value of money due to fraud, the culprit must be punished. But if mixing metal in coins is an official government action and is known by all its users, it is acceptable. Then indirectly, however, it allows the possibility of using representative money (money token). It can be taken from the following statement“*Zaif* (mixed metal), the intention is a unit of money that does not contain silver at all; only polish; or dinars that do not contain gold. If a coin is containing a certain amount of silver, but it is mixed with copper, and it is an official coin in that country, then this is acceptable, whether the silver charge is known or not. However, if the coin is unofficial, the coin can be accepted only if the silver charge known.”

The emphasis against ban to do usury and metradng money by Al-Ghazali also has a good understanding by giving parables that are easy to understand. Al-Ghazali said money like a mirror that has no color but the mirror can reflect all colors meaning that the form of money does not have an intrinsic value in its depth and only has value when used in trading. Then Al-Ghazali also gave them parables the one not use money as its function like arrest the authorities and postmen; that is, it will hold them in carrying out their functions which will cause chaos to a system.

➤ *Classical Muslim Economist Thought of Ibn Taimiyyah*

Ibn Taimiyah the one named complete Taqiyyudin Ahmad bin Abdu Halim born in city Harran on date 22 January 1263 M (10 Rabbiul Stay tuned 661 H). He came from a highly educated keluarga. His father, uncle and grandfather are cleric large Mazhab Illi and author a number

book. The tradition of a good scientific environment supported by its genius has led him to become an expert in interpretation, hadith, fiqh, mathematics and philosophy in a dozen years of age. Besides that, He is famous as a writer, orator and at the same time a handal war leader. In his youth he was displaced by the actions of the Mongols, and arrived in Damascus with his parents in 1268 AD at that time he was six years old. In 1282 AD when his father died, Ibn Taimiyah succeeded his father's position as the Great Teacher of the Law of Servant and held this position for 17 years.

Most of his thought works are included in the economic field produced. Much of his economic thinking is found in a number of his writings, such as *Majmu' Fatawa Shaykh Al-Islam, As-Siyasah Asy-Syar'iyah fi Ishlah Ar- Ra'i wa Ar-Ra'iyah*, and *Al-Hisbah fi Al-Islam*. His economics thought mostly on the region Macro Economy, like price the one fair, mechanism market, regulation price, money and monetary policy.

According to Ibn Taymiyyah, money has two main functions namely as an exchange tool and as a standard of value. Ibn Taymiyyah said: "As for dinar and dirhams, it is not known to have natural and syar'i boundaries but both return to material and terms. This is because, by origin, the two are not related to the intent on it, but the aim is as a standard for everything that is transacted with it, the dinar and dirham are not driven by both of them, but only the will to transact with it. For this reason, both reflect value, in contrast to other assets, which are intended to be beneficial on goods the." In his opinion, money as exchange tools where the material can be taken from anything agreed upon by the applicable customs (urf) terms made by humans. Money does not have to be made of gold and silver (Fageh, 2018).

➤ *Classical Muslim Economist Thought of Ibn Qoyyim*

Ibn Qoyyim born on 7 Safar 691H/ 9 January 1292M in campong Zara' from village Haura, next to southeast Damascus and died in the same place in 751H/1350M. He grew up in a family that is concerned with and loves science. His father was Ibn Qoyyim's first teacher who had taught to him science asas Islam including science al-fara'id. He has demanded a pot of field of study with several famous scholars at the time of the issue. Between the fields of study studied than they were the interpretation of the Qur'an, hadith, al-fiqh and fiqh. Ibn Qoyyim's sincerity and perseverance in studying science in the field finally made him famous as a figure in the field fiqh, suggestion al-fiqh, interpretation, language Arabic, kalam science and hadith. any Shams al-Din Abu Abdillah Muhammad Bin Abi Bakr Bin Ayyub bin Sa'ad the Malah according to Ibn `Imad, Ibn Qayyim is the one scientiset in Sufism field. As an expert theology and interpreter the book holy Islam, he is one in between leading legal expert from the Hambali school from four streams in Islamic sharia (or Islamic law) which emerged between the eighth century century fourth mercy (in sequence the other three pioneers are Hanafi, Maliki and Syafi'i).

Ibn Qoyyim strengthen thought from Ibn Taimiyah as seen in the word: Sharia scents usury fadl over 6 commodities, two of which are gold and silver as well as both are reflections on the price of transaction objects, then both must remain, not up and down in value. With both something can be valuable, and both have no value except with something else, and both not allowed as an object transaction, because both not intended for the dzat, both are intended as wasilah to get goods when both has become a commodity and is used for its dzat, so it is broken human affairs". Ibn Qoyyim identified two main functions of money, namely as a medium of exchange and value standards. In his view, deviations from these two functions of money can occur when people want money for the purposes of the money itself (Umari, 2019). From Ibn Qoyyim's opinion it appears that dinar and dirham can be a standard of values where with dinar and dirham being an object becomes valuable. Dinars and dirhams are used to get goods. Dinars and dirhams may not be used as transaction objects. If dinar and dirham are made commodities and use their substances, human affairs will be damaged.

➤ *Classical Muslim Economist Thought of Al Maqrizi*

His full name is Al-Maqrizi is Taqiuddin Al-Abbas Ahmad bin Ali Abdil Qadir Al-Husaini He was born in Cairo's Barjuwan Village in 766 H (1364-1365 M). His family originated from Maqarizah a village the one located in the city of Ba'lakbak. Therefore he tends to be known as Al- Maqrizi. His father's weak economic condition caused Al-Maqrizi's childhood and adolescent education to be under the responsibility of his maternal grandfather, Hanafi Ibn Sa'igh a follower of Hanafi's mazhab. Al-Maqrizi grows based on this mazhab. After his grandfather die on year 786 H (1384 M) Al-Maqrizi switch to mazhab Shafi'i even in the development of his thoughts he seemed to tend to embrace the Zhahiri mazhab. Al-Maqrizi is figure the one very love Science. Since small he fond of do scientific. He studied various disciplines, such as fiqh, hadith and history, from the great scholars of the life of the time. Among the famous figures who greatly influenced his thinking was Ibn Khaldun a ulama' large and initiator science social including science the economy. The interaction with Ibn Khaldun begins when Ash Al-iqrishad this settled in Cairo and assumed the position of Chief Justice (Qadhi Al-Qudah) mazhab Maliki during the reign of Sultan Barquq (784-801 H).

Al-Maqrizi also took a role as a Muhtasib (supervisor market) the one had knowledge of the economic conditions of his time and was also a hard critic of the government of Burji Mamluk. He applied Ibn Khaldun's analysis in his book entitled *Ighatsah Al-Ummah bi Kasyfil Al-Gummah* (helping the people by knowing the causes of his illness). Namely determine the causes that caused the economic crisis in Egypt during the period 806-808 AD.

As an Al-Maqrizi historian put forward some thoughts about money through study history of currency the one used by humanity. His thought includes the history and function of money, the implications of creating bad money and the purchasing power of money. For Al-Maqrizi, the currency

has a very important role in human life because by using money, humans can meet their necessities of life and facilitate their life activities. Therefore to prove the validity of his premise on this matter he revealed history use currency by people human since ancient times kala up to period his life the one are in under government Mamluk dynasty. According to Al-Maqrizi both before and after arrival Islam currency used by human for determine various price goods and cost the power work. For reach aim this the currency used consists only of gold and silver. In the history of its development Al-Maqrizi explained that the Arab jahiliyyah used gold dinars and silver dirhams as their currencies, each adopted from Rome and Persia and had twice as heavy weights felt Islam. After Islam came, Rasulullah SAW established various practices of you who used the two currencies even related them to the zakat treasure law. The use of these two currencies continued without the slightest change until 18 H when the caliph Umar ibnu Al-Khattab added Islamic Lafaz to both currencies (Hamidi, 2018).

A very significant changes to this currency occurred in 76 H. After successfully creating political stability and security the caliph Abdul Msalik ibnu Marwan undertook monetary reform by printing Islamic dinars and dirhams. The use of these two currencies continued without significant changes to the reign of Al-Mutashim, the last Caliph of the Abbasyiah dynasty. Post-Sultan Al-kamil's government the currency printing continued until officials at the provincial level were affected by large profits from this activity. Unilateral policies begin to be implemented by increasing volume printing fulus and set ratio 24 fulus per dirham. As a result the people suffered heavy losses due to valuable goods half dirham now be one dirham. This situation getting worse when activation of fulus printing expanded during the reign of Al-Adil Kitbugha and Sultan Al-Zahir Barquq the one cause currency impairment and scarcity of goods. These historical facts according to Al-Maqrizi identify that a currency that can be accepted as a standard of value, good based on law, logic as well as tradition only the one consists of from gold and silver. Therefore currencies that use materials other than these two metals do not deserve to be called currencies.

Meanwhile, while emphasizing the urgency of eye reuse money the one consists of from gold and silver Al-Maqrizi realize that money is not the only factor affecting price increases. According to him, use currency gold and silver not as well as eliminating inflation in the economy because inflation can also occur due to internal factors and arbitrary actions of the authorities.

Al-Maqrizi states that the creation of currencies with quality is bad will eliminate currency the one quality good. Thing this it was clear when he outlined the monetary situation in 569 H. during the reign of Sultan Shalahuddin Al-Ayyubi this printed currency had quality the one very low compared with currency which is already in circulation. In the face of this reality, people will prefer to save good quality currencies and melt them into jewelry and release bad quality currencies into circulation. As a result the old currency will return to circulation. According to Al-Maqrizi, this was also inseparable from the influence of the change of rulers and dynasties, each of which adopted a different policy in printing the form and value of dinars and dirhams. As an example type dirham the one had been there is changed only for reflect ruler at that time. In other cases there are some additional changes to the composition of the metal that forms the dinar and dirham. The consequences occur imbalance in life the economy when stock metal currency materials are insufficient to produce a number of currency units. Similarly, when the price of gold or silver has decreased.

Based on his perspective, currency printing must be accompanied by attention more large from government for usage of currency in the next business. Waiver of this so that an unbalanced increase in printing money with production activities can cause real purchasing power of money to decline.

Of the five classical Muslim economists whose work is quite phenomenal and influential, more clearly the concepts of money and sharia principles that underlying them are summarized in the following table:

Table 2. Concept of Money From Classical Muslim Economist Thoughts against Digital Rupiah

No.	Name	Concept of Money and applicable Sharia Principles	Design of Digital Rupiah (CBDC)
1.	Ibn Khaldun	Money is what humans use as a standard measure of price value, a medium of exchange transactions and a medium of storage.	Digital rupiah as an additional alternative to cash rupiah that can be used in exchange transactions and stored through a digital platform.
2.	Al Ghazali	<ul style="list-style-type: none"> • Money as miqdar (measurement) and wasilah (intermediary). • Making money requires materials that are durable • Money will have value when used in an exchange (buying and selling). • Prohibition of trading money as a commodity 	<ul style="list-style-type: none"> • Digital rupiah can be used like cash rupiah which measures the value of goods/services. • Digital rupiah does not have physical material that is durable but uses private blockchain technology • Digital rupiah can be used as a means of payment • The digital rupiah is not a commodity that has regulations under the auspices of CoFTRA, but rather a medium of exchange under the auspices of Bank Indonesia regulations
3.	Ibn Taimiyyah	<ul style="list-style-type: none"> • The two main functions of money are as a medium of exchange and as a standard of value 	<ul style="list-style-type: none"> • Digital rupiah uses the integrated system of the w-RupiahDigital DLT Platform which will

		<ul style="list-style-type: none"> • Money as a medium of exchange where the material can be taken from whatever is agreed upon by the prevailing customs • Money does not have to be made of gold and silver. 	<ul style="list-style-type: none"> • complement the account-based BI-RTGS system • The materials for printing digital rupiah, in this case, are the network (cloud) and servers stored in hot wallets and cold wallets.
4.	Ibnu Qayyim	<ul style="list-style-type: none"> • The two main functions of money are as a medium of exchange and a standard of value. • Dinars and dirhams can become a standard of value where dinars and dirhams become an object that has value. 	<ul style="list-style-type: none"> • Digital Rupiah on the w-Rupiah platform can be used as a transactional tool if stored in a hot wallet. • The digital rupiah value standard is cash rupiah.
5.	Al Maqrizi	<ul style="list-style-type: none"> • Currency is used by humans to determine prices for goods and labor costs. • To achieve this goal the currency used consists only of gold and silver. the printing of currency must be accompanied by greater concern from the government to use the currency in further business. • The creation of a currency of poor quality will obliterate the currency of good quality 	<ul style="list-style-type: none"> • The digital rupiah moves according to the value of the cash rupiah and can determine the price of goods and labor costs according to inflation • The digital rupiah is a currency that is different from gold and silver in physical form • The digital rupiah was created not to replace cash rupiah but rather as a complement to the alternative rupiah currency in the need for transactions and a safer storage device

V. CONCLUSION

Generally, the presence of CBDCs in various countries in the world is a response to the swift flow of information technology after the Covid-19 pandemic. Indonesia as a country that is currently in the phase of developing its own CBDC implementation, namely digital rupiah, needs to look more closely at the sharia principles that underlie it. This is because the central bank in Indonesia not only has authority in managing the conventional financial system but also the Islamic financial system. The main principles of sharia attached to financial mechanisms include the prohibition of usury, maysir and gharar which are very important to avoid. This study shows some of the basic principles of sharia based on the thoughts of classical Muslim economists about money including the concept, creation of money, functions of money, uses of money, and its implications for the financial system.

Five phenomenal classical muslim economists who have influenced through their works, including Ibn Khaldun, Al Ghazali, Ibn Taimiyah, Ibn Qoyyim, and Al Maqrizi have different views on the meaning of the concept of money. In general, gold and silver as currencies at that time still had relevance as a standard currency value today but were slightly different from the digital rupiah. The conformity of sharia principles to the design of digital rupiah can be said to be quite appropriate due to the fulfillment of several aspects of the function of money which states that it is a valid means of exchange and payment, money material made based on prevailing community customs (latest technological developments). However, aspects of the digital rupiah are still not in accordance with sharia, namely based on its function as a means of storing wealth/value, while money will have value when the money is transacted and not hoarded as a digital asset.

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