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Zakat on Crypto Assets: A Comparative Review of Schemes and Fatwas in Indonesia and Malaysia (Case Study: MUI and MAIJ)

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Abstract

The emergence of crypto assets as contemporary wealth instruments raises fundamental questions regarding their zakat obligations. This study conducts a comparative analysis of crypto asset zakat schemes and implementation based on fatwas from two major authorities: the Indonesian Ulema Council (MUI) and the Johor Islamic Religious Council (MAIJ) in Malaysia. Using a qualitative approach and comparative case study method, data were analyzed through content analysis techniques of official fatwa documents. The findings reveal that while both authorities agree on the obligatory nature of zakat for crypto assets, there are significant differences in the schemes for determining nisab and asset valuation. Implementation in Indonesia through BAZNAS has developed more structured technical schemes compared to Johor, which is still in the socialization stage. The study concludes that regulatory convergence and technological capacity building for zakat management institutions are urgent necessities

Keywords: zakat, crypto assets, fatwa, implementation, regulation

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1 INTRODUCTION

The emergence of crypto assets as digital wealth instruments challenges the conventional definition of wealth (maal) in zakat jurisprudence. This study compares the responses of two religious authorities MUI in Indonesia and MAIJ in Malaysia in formulating zakat schemes for crypto assets, analyzing their fundamental similarities and differences.

1.1 Global Context and Background

The digital revolution has given rise to a new asset class that is fundamentally changing the global financial landscape. One of the most significant phenomena is the emergence of crypto assets, or cryptocurrencies, which have grown rapidly over the past decade. According to CoinMarketCap data (2024), the global crypto asset market capitalization has reached trillions of US dollars, demonstrating massive adoption by both institutional and individual investors worldwide. This exponential growth has not only attracted the attention of conventional financial market participants but has also sparked in-depth discussions within the context of Islamic law, particularly regarding their legal status and implications for zakat obligations (Beikverdi et al., 2022).

Zakat, the third pillar of Islam, holds a central position in the Islamic economic system. Al-Qaradawi (2015) in his monumental work, Fiqh al-Zakat, asserts that zakat is an instrument of wealth distribution that requires ownership of productive assets (maal), reaching the nisab (minimum threshold), and having been held for one haul (Hijri year). However, the unique characteristics of crypto assets, which are virtual, decentralized, and highly volatile, challenge the conventional definition of the concept of maal in classical fiqh (Abubakar & Handayani, 2020). The intangible nature of crypto assets, the absence of a central regulatory authority, and extreme price fluctuations create complexities in determining zakat obligations.

The digital transformation in the financial sector has prompted contemporary scholars to conduct new ijtihad (Islamic jurisprudence). According to Ahmed (2019), the development of blockchain technology and digital assets necessitates a reinterpretation of classical Islamic jurisprudence concepts to address the challenges of the times. Crypto assets, despite their lack of physical form, still meet the basic criteria for assets because they possess economic value, can be bought and sold, and provide benefits to their owners. This aligns with the opinion of contemporary jurists who state that the concept of maal in Islam is not limited to tangible objects but encompasses anything that has value and can be legally owned according to sharia (Hidayatul, 2021).

1.2 Identification of Problems and Research Rationale

Legal uncertainty regarding the zakat status of crypto assets has posed a dilemma for Muslims who have

investments in these digital instruments. According to a 2023 survey by the Islamic Fintech Alliance, over 60% of Muslims who own crypto assets admitted to being unsure about their zakat obligations due to the lack of clear and consistent guidance. This situation has the potential to hinder the fulfillment of religious obligations and reduce the potential for zakat revenue to be distributed to the welfare of those who are entitled to receive it.

In response to this need, various Islamic jurisprudence institutions in Muslim countries have begun issuing fatwas and guidance. In Indonesia, the National Sharia Council of the Indonesian Ulema Council (DSN-MUI) issued Fatwa No. 140/DSN-MUI/III/2021 concerning Cryptocurrency, which provides a comprehensive legal framework for crypto assets, including their zakat aspects (DSN-MUI, 2021). This fatwa marks a significant milestone given Indonesia's largest Muslim population and significant growth in crypto asset users, reaching over 15 million users by 2023 (Bappebti, 2023).

Meanwhile, in Malaysia, the Islamic Religious Council of Johor (MAIJ), a state-level religious authority, also issued a fatwa regarding cryptocurrency trading and investment in 2022 (MAIJ, 2022). Malaysia, as a country with a developed Islamic financial system, has its own approach to regulating the sharia aspects of digital financial innovation. However, preliminary research indicates that the fatwas issued by these various authorities often differ in emphasis, methodology, and technical framework (Hassan & Aliyu, 2018).

The differences in these fatwas have several crucial implications. First, the lack of uniformity can cause confusion among muzakki (zakat payers) operating across jurisdictions or seeking guidance from multiple sources. Second, zakat collection institutions face challenges in operationalizing fatwas with differing technical parameters. Third, these differences can affect the nominal amount of zakat that must be paid, which in turn impacts the potential receipt and distribution of zakat funds (Rosly & Sanusi, 2019).

Comparative studies are highly relevant in this context. According to Kamali (2017), comparing fatwas between jurisdictions not only helps identify best practices but also opens up dialogue for harmonizing sharia regulations in the era of globalization. Furthermore, analyzing fatwa implementation at the operational level of zakat institutions will provide a clear picture of regulatory effectiveness and identify gaps between theory and practice (Wahid et al., 2020).

1.3 Research Objectives and Significance

Based on the background and problem identification above, this research has three main interrelated objectives:

First, analyzes in depth the zakat scheme for crypto assets based on the fatwas of the DSN-MUI and MAIJ. This analysis covers crucial dimensions such as:

(a) the legal basis and sharia justification used

(b) the classification of types of crypto assets that are subject to zakat

(c) the determination of the nisab and the standard used (gold or silver)

(d) the determination of the haul and its calculation mechanism; and

(e) the determined zakat rate and asset valuation method.

This comparative analysis will use the framework of fiqh muqaran (comparative Islamic jurisprudence) to identify fundamental similarities and specific differences between the two fatwas (Auda, 2019).

Second, examines the level of implementation of these fatwas by zakat institutions in both jurisdictions. This implementation study will focus on:

(a) the operational policies and regulations issued by BAZNAS in Indonesia and Lembaga Zakat Negeri Johor (LZNJ) in Malaysia following the issuance of the fatwas

(b) the technical infrastructure and channels provided for receiving zakat from crypto assets

(c) the mechanisms for converting and valuing crypto assets into disbursable cash value and

(d) public outreach and education programs.

According to Saad et al. (2020), the gap between fatwas and implementation is a classic challenge in the zakat system that needs to be identified and addressed.

Third, provides constructive recommendations for improving the future zakat scheme and implementation of crypto assets. These recommendations will be addressed to three main stakeholders: fatwa authorities, zakat collection institutions, and researchers.

The significance of this research can be seen from three perspectives. From an academic perspective, this

research contributes to contemporary zakat literature by providing a systematic comparative analysis that is still limited in existing studies. This study also enriches the discourse on digital muamalat fiqh (Islamic jurisprudence) by integrating regulatory perspectives from two prominent Muslim countries in Southeast Asia. From a practical perspective, this research provides a clear knowledge map and operational guidelines for zakat institutions (BAZNAS/LAZ) in developing a more effective system for receiving and managing zakat from crypto assets (Lubis et al., 2021). From a social perspective, this research provides information certainty and practical guidance for muzakki (recipients of zakat) who own crypto assets to properly fulfill their religious obligations, thereby contributing to optimizing national zakat potential and the welfare of mustahik (recipients of zakat.

2 LITERATURE REVIEW

The uncertain zakat status of crypto assets presents a practical dilemma for Muslim investors. As a novel instrument, crypto assets require a deep theoretical explanation to determine their position within the established framework of zakat jurisprudence, which will be discussed in this literature review

2.1 The Concept of Zakat in Islam

Zakat is etymologically derived from the word "zaka," which means to grow, develop, cleanse, and purify. In sharia terminology, zakat is defined as a certain right that Allah SWT requires of a Muslim's wealth to be distributed to those entitled to receive it (mustahik) under certain terms and conditions (Al-Zuhayli, 2017). The legal basis for zakat is found in various verses of the Qur'an and the hadith of the Prophet Muhammad SAW, which emphasize the obligation of zakat as one of the pillars of Islam.

According to Al-Qaradawi (2015), the conditions for zakat obligatory include:

(1) Islam, which is only obligatory for Muslims

(2) Freedom or not a slave

(3) Having assets that reach the nisab

(4) Full ownership (al-milku at-tam)

(5) The assets have been owned for one haul (hijri year)

(6) The assets are productive or have the potential to be productive (an-nama')

(7) Free from urgent debt. These principles are the foundation in determining the obligation of zakat on various types of assets, including contemporary assets such as crypto assets.

In the context of asset classification, Islamic jurisprudence scholars divide zakat into several main categories: zakat nafs (soul/fitrah), zakat mal (property), zakat an'am (livestock), zakat zuru' (plants), zakat nuqud (money), zakat tijarah (trade), and zakat rikaz (found assets). According to Hafidhuddin (2018), the most relevant categories for crypto assets are zakat nuqud (money/currency) or zakat tijarah (trade), depending on the purpose and function of ownership of the asset. The nisab for traditional zakat nuqud is equated to 85 grams of gold or 595 grams of silver, with a zakat rate of 2.5% (Beik, 2015).

2.2 Crypto Assets: Definition and Characteristics

Crypto assets, or cryptocurrencies, are digital representations of value that use cryptographic technology to secure transactions, control the creation of new units, and verify asset transfers (Nakamoto, 2018). Bitcoin, launched in 2009, was the first crypto asset to utilize blockchain technology—a distributed ledger system that records all transactions transparently and immutably (Nofer et al., 2017).

According to Evans (2015), crypto assets have unique characteristics that distinguish them from conventional financial assets:

(1) Decentralization there is no central controlling authority

(2) Transparency all transactions are recorded in a publicly accessible blockchain

(3) Pseudonymity the owner's identity is hidden behind a cryptographic address

(4) Immutability recorded transactions cannot be changed

(5) Global accessibility can be transferred across countries without traditional intermediaries and

(6) High volatility exchange rates are highly volatile (Böhme et al., 2015).

From an Islamic economic perspective, discussions regarding the status of crypto assets face fundamental debate. Some scholars question whether crypto assets can be categorized as maal (wealth) given their intangible nature

and lack of intrinsic value (Meera, 2018). However, a broader contemporary view holds that in the digital economy, the concept of value does not necessarily depend on physical substance, but rather on market consensus and the utility provided (Hasan, 2019).

According to Ibrahim et al. (2020), crypto assets can meet the criteria for al-mal al-mutaqawwim (assets of value according to Sharia) if:

(1) they have benefits justified by Sharia

(2) they can be owned and controlled

(3) they have recognized economic value and

(4) they can be traded.

These criteria form the basis for various Sharia authorities to recognize certain crypto assets as legitimate instruments, albeit with certain caveats and limitations.

2.3 Fatwas and Sharia Regulations on Crypto Assets

Islamic religious authorities' responses to crypto assets have varied widely, reflecting the complexity of the issue and differing ijtihad methodologies. Internationally, several institutions have issued guidance. The Islamic Fiqh Academy (IFA), a member of the Organization of Islamic Cooperation (OIC), has discussed the issue at several conferences, although it has not yet issued a comprehensive final resolution (Oziev & Yandiev, 2018).

In Indonesia, the Indonesian Ulema Council (DSN-MUI) has issued several fatwas regarding digital assets. DSN-MUI Fatwa No. 116/DSN-MUI/IX/2017 concerning Sharia Electronic Money provides an initial framework for digital instruments (DSN-MUI, 2017). Subsequently, DSN-MUI Fatwa No. 140/DSN-MUI/III/2021 specifically addresses cryptocurrency, distinguishing between permissible and prohibited crypto assets according to sharia based on their function and operation (DSN-MUI, 2021). This fatwa serves as the primary reference for the Indonesian Islamic financial industry in transacting with crypto assets.

In Malaysia, Sharia regulation of crypto assets is more complex due to the federal structure that grants individual states the authority to issue fatwas. The Securities Commission Malaysia has issued a framework for Digital Assets that covers Sharia compliance aspects (SC Malaysia, 2020). At the state level, the MAIJ Johor issued a fatwa in 2022 permitting trading and investment in cryptocurrencies under certain conditions (MAIJ, 2022). According to Aziz (2021), state approaches to crypto fatwas in Malaysia exhibit interesting variations worth examining.

From a comparative perspective, several other Muslim countries have also taken positions. Turkey, through its Diyanet (Directorate of Religious Affairs), stated that cryptocurrencies are incompatible with Islam due to their uncertainty and excessive speculation (Akın, 2019). Conversely, the United Arab Emirates, through its Fatwa Council, stated that Bitcoin and other cryptocurrencies are acceptable if they are not used for activities prohibited by Sharia (Al-Suwailem, 2020). This diversity of views demonstrates the importance of comparative studies to understand the nuances and reasoning behind each fatwa.

2.4 Implementation of Zakat by Amil Institutions

Zakat institutions play a central role in the zakat ecosystem, serving as a liaison between muzakki and mustahik. In Indonesia, the zakat system is regulated by Law No. 23 of 2011 concerning Zakat Management, which mandates BAZNAS as the government agency authorized to manage zakat nationally (Government of Indonesia, 2011). BAZNAS and officially licensed Zakat Institutions (LAZ) are responsible for collecting, distributing, and utilizing zakat in accordance with sharia principles and accountability (Andam & Osman, 2019).

According to Canggih et al. (2017), the effectiveness of zakat institutions is influenced by several factors:

(1) clear and comprehensive regulations

(2) adequate institutional and human resource capacity

(3) supportive technological infrastructure

(4) public trust and

(5) transparency and accountability in management.

Research by Johari et al. (2015) shows that the adoption of digital technology by zakat institutions can increase collection efficiency by up to 40% and expand the reach of muzakki.

In Malaysia, the zakat system is decentralized and falls under the jurisdiction of the states. Each state has a State

Islamic Religious Council (MAIN) that regulates Islamic affairs, including zakat (Ahmad et al., 2015). The State Zakat Institution (LZN) in each state is responsible for zakat operations. According to Rahman & Omar (2016), there is significant variation in systems and effectiveness across Malaysian states, with some states, such as Selangor and the Federal Territories, demonstrating superior performance in digital technology adoption.

The challenges of implementing zakat on crypto assets include unique technical aspects. First, the high volatility of crypto assets requires an accurate and real-time valuation mechanism (Yusoff & Daud, 2019). Second, converting crypto assets to fiat currency for distribution to those entitled to receive zakat requires collaboration with a Sharia-compliant crypto exchange (Zainudin et al., 2020). Third, the security and custody of digital assets require a robust technological infrastructure (Shaikh et al., 2017). Fourth, educating potential zakat payers on how to calculate and distribute zakat on crypto assets requires an effective communication strategy (Muneeza & Nadwi, 2019).

2.5 Previous Research and Research Gaps

Several studies have explored the zakat aspect of crypto assets from various perspectives. Nurhisam (2018) conducted a preliminary study on Bitcoin and zakat, concluding that Bitcoin can be categorized as a zakat-obligatory asset, drawing parallels with zakat nuqud. This research makes a significant contribution to developing preliminary Islamic jurisprudence arguments, but has not yet analyzed its practical implementation.

Abubakar and Handayani (2020) examined the Islamic jurisprudence (fiqh) perspective on cryptocurrency in Indonesia following the issuance of the DSN-MUI fatwa. Their findings indicate that although the fatwa has provided a legal framework, there remains a gap in understanding among local ulama and practitioners. This research is important but limited to the Indonesian context and does not yet conduct cross-jurisdictional comparisons.

In Malaysia, Mohamed Salleh and Ahmad (2021) analyzed Malaysian Muslims' perceptions of cryptocurrency zakat. Their survey results showed that 67% of respondents who owned crypto assets were willing to pay zakat if there were clear guidelines from religious authorities. However, this study focused on perception and did not fully examine the implementation of zakat by zakat institutions.

From an international comparative perspective, Hidayatul et al. (2021) compared fiqh approaches to cryptocurrency in Indonesia, Malaysia, and the Middle East. Their research found that differences in schools of thought and fiqh traditions influence fatwa conclusions. However, this study was primarily descriptive-normative in nature and did not analyze the operational implementation dimension.

The research gaps identified from the literature review are:

(1) The lack of in-depth comparative studies that systematically analyze the differences in technical schemes (nisab, haul, valuation) in crypto asset zakat fatwas between jurisdictions

(2) Limited research that examines the implementation dimensions of fatwas by zakat institutions, especially in the context of infrastructure, operational regulations, and field practices

(3) The absence of analysis that integrates the normative dimension (fatwa) with the practical dimension (implementation) holistically.

This study attempts to fill this gap by comparatively analyzing the fatwas of the MUI and MAIJ not only from the normative-fiqh aspect but also from the implementation aspect by BAZNAS and LZNJ.

3 RESEARCH METHODS

To analyze the differing schemes and implementation of crypto asset zakat, this research employs a comparative qualitative approach. It focuses on an in-depth analysis of the fatwa documents from MUI and MAIJ and the operational policies of BAZNAS and LZNJ.

3.1 Types and Approaches of Research

This research uses a qualitative approach with a comparative case study design. According to Yin (2018), a comparative case study is an appropriate research strategy when researchers want to deeply explore contemporary phenomena within a real-life context, especially when the boundaries between phenomenon and context are unclear. This approach allows researchers to understand the complexities and nuances of the study object through intensive analysis of selected cases (Stake, 2015).

In this study, two cases were selected:

(1) Fatwa and implementation of zakat on crypto assets in Indonesia represented by DSN-MUI and BAZNAS;

and

(2) Fatwa and implementation of zakat on crypto assets in Malaysia (Johor) represented by MAIJ and Lembaga Zakat Negeri Johor.

The selection of Indonesia and Malaysia was based on several considerations: both are countries with a majority Muslim population in Southeast Asia, have a relatively advanced Islamic financial system, and have issued official fatwas regarding crypto assets (Mohd Nor & Ismail, 2019).

3.2 Data Sources

The data used in this study consists of two categories:

Primary Data:

1. Official document of DSN-MUI Fatwa No. 140/DSN-MUI/III/2021 concerning Cryptocurrency (DSN-MUI, 2021)
2. MAIJ Fatwa Document for 2022 concerning Crypto Currency Trading and Investment (MAIJ, 2022)
3. BAZNAS Regulation No. 6 of 2023 concerning Guidelines for Calculating and Distributing Zakat on Gold, Silver, and Crypto Assets (BAZNAS, 2023)
4. Policy documents and technical guidelines from the Johor State Zakat Institution regarding digital zakat (if available)

Secondary Data:

1. Official publications, annual reports, and outreach materials from BAZNAS and LZNJ for the 2021-2024 period
2. Academic journal articles on contemporary zakat and digital assets published between 2015-2025
3. News and media releases regarding the implementation of zakat on crypto assets in Indonesia and Malaysia
4. Classical and contemporary fiqh literature on zakat and digital assets
5. Reports and statistics from crypto exchange platforms and financial regulators regarding the adoption of crypto assets in both countries.

The use of a combination of primary and secondary data aims to provide data triangulation that increases the validity of research findings (Creswell & Poth, 2018).

3.3 Data Collection Techniques

The data collection technique used in this research was documentary research. According to Bowen (2019), documentary research is a systematic procedure for reviewing or evaluating documents, both printed and electronic. The data collection steps included:

1. **Document Identification:**Identify and collect all official fatwa documents, regulations, and institutional publications relevant to the research topic from credible sources including the official websites of DSN-MUI, BAZNAS, MAIJ, and LZNJ.
2. **Authenticity Verification:**Ensure the authenticity and credibility of the collected documents by cross-checking with official sources and academic publications that cite the documents (Scott, 2014).
3. **Systematic Recording:**Make descriptive notes about the context, publication date, publishing authority, and relevance of each document to the research question.

3.4 Data Analysis Techniques

The collected data was analyzed using content analysis with a descriptive-comparative approach. Krippendorff (2018) defines content analysis as a research technique for making replicable and valid inferences from text or other meaningful material to the context of its use. The analysis process is carried out through the following stages:

Stage 1: Coding Fatwa and regulatory documents were coded based on predetermined research variables (predetermined coding).

These variables include:

(a) sharia legal basis (Quranic evidence, Hadith, and qiyas)

(b) definition and classification of crypto assets

(c) determination of the nisab (gold/silver standard)

(d) determination of the haul

(e) zakat rate

(f) valuation method and

(g) payment mechanism.

Each text segment relevant to a variable was coded and labeled to facilitate categorization (Saldaña, 2021).

Stage 2: Categorization and Tabulation The coding results were categorized into major themes and presented in comparative tables to facilitate the identification of similarities and differences between the MUI and MAIJ fatwas. The categorization was conducted inductively and deductively, with the researcher using a theoretical framework from the zakat fiqh literature while remaining open to emergent themes from the data (Bengtsson, 2016).

Stage 3: Comparative Analysis Systematically comparing the coded results of the MUI and MAIJ fatwas to identify:

(1) convergence aspects where the two fatwas have substantial similarities

(2) divergence aspects where there are significant differences along with an analysis of their causes and

(3) gaps aspects addressed by one fatwa but not by the other (Hantrais, 2009).

Stage 4: Implementation Analysis Analyzing policy documents, operational guidelines, and publications from BAZNAS and LZNJ to assess the level of fatwa implementation. This analysis uses a policy implementation evaluation framework that includes the following dimensions: availability of derivative regulations, technical infrastructure, outreach, and actual revenue data (Sabatier & Mazmanian, 2017).

Stage 5: Synthesis and Interpretation This study combines findings from comparative and implementation analyses to produce a holistic understanding of the dynamics between fatwas (normative) and practices (empirical). Interpretations are made by referring back to theories from the literature review and the socio-economic context of each country.

3.5 Data Validity

To ensure the validity and credibility of the data, this study implemented several strategies:

1. **Source Triangulation:**Using various data sources (official fatwas, regulations, institutional publications, academic literature) to validate findings (Patton, 2015).
2. **Member Checking:**Although this research is document-based, attempts were made to verify the interpretations by comparing with secondary publications from other researchers who reviewed similar documents.
3. **Audit Trail:**Documenting the entire research process systematically to enable other researchers to replicate or verify (Lincoln & Guba, 2016).
4. **Peer Debriefing:**Discuss findings and interpretations with academics who have expertise in muamalat fiqh and comparative studies to gain alternative perspectives and constructive criticism.

4 RESULTS AND DISCUSSION

The research findings reveal that while MUI and MAIJ agree on the obligatory nature of zakat for crypto assets, there are significant differences in determining the nisab (minimum threshold) and valuation mechanisms. This divergence directly impacts the payable zakat amount and the effectiveness of its implementation in the field

4.1 Comparative Analysis of Crypto Asset Zakat Schemes: MUI vs. MAIJ Fatwa

4.1.1 Legal Basis and Classification of Crypto Assets

Both the DSN-MUI and the MAIJ employ a contemporary ijtihad methodology that adheres to classical Islamic jurisprudence principles while considering the unique characteristics of digital assets. In Fatwa No. 140, the DSN-MUI (2021) states that crypto assets that can be categorized as mal (assets) must meet the criteria of al-mal al-mutaqawwim, meaning assets that have value according to sharia, can be owned, and utilized according to Islamic law.

This fatwa classifies crypto assets into two main categories: (1) crypto assets as tradable digital commodities, and (2) cryptocurrencies that function as a means of payment. Only crypto assets that comply with Sharia principles (free from gharar, maysir, riba, and not used for haram transactions) can be subject to zakat (Antonio & bin Atoh, 2022).

The Islamic Journal of Islamic Studies (MAIJ) (2022) adopted a similar approach in its fatwa, but with a different emphasis. The MAIJ fatwa classifies cryptocurrency as a growing asset (al-mal an-nami), thus falling within the scope of obligatory zakat. According to Aziz and Hassan (2021), the MAIJ used a parallel (qiyas) with zakat on trade (zakat al-tijarah) because most cryptocurrency holdings by Muslims in Johor are for investment and trading purposes, not as a means of daily exchange. This approach is consistent with the Islamic jurisprudence principle that the ruling on an object can differ depending on the intention and function of its use (al-umuru bi maqasidiha).

Both fatwas use similar arguments from the Qur'an, particularly Surah Al-Baqarah: 267, which states, "O you who believe, spend from the good things you have earned," as well as the Prophet's hadith on the obligation of zakat on productive assets (Rahman et al., 2020). However, in applying qiyas, there is a difference in emphasis: the MUI emphasizes the characteristics of crypto assets as valuable commodities (like gold), while the MAIJ emphasizes their investment function (like stocks or trading instruments).

According to Rusydiana and Rahayu (2019), this difference in emphasis reflects different socio-economic contexts. In Indonesia, crypto adoption is more diverse, with some users viewing it as a stored digital asset (digital gold), while in Malaysia, crypto is predominantly used for trading and active investment purposes. Understanding this context is important because it influences the technical framework for zakat.

4.1.2 Determination of Nisab and Valuation Standards

The most significant difference between the MUI and MAIJ fatwas lies in determining the nisab (the minimum threshold). The DSN-MUI (2021) explicitly stipulates that the nisab for zakat on crypto assets is equivalent to the nisab for gold, which is 85 grams of gold. The value of crypto assets is calculated based on the market price at the end of the haul, converted into rupiah, and then compared to the value of 85 grams of gold at the same time. If the value of crypto assets reaches or exceeds this value, 2.5% of the zakat is obligatory (Beik & Arsyianti, 2016).

This MUI approach is in line with the dominant Shafi'i school of thought in Indonesia, which stipulates that the nisab for zakat al-mal is equivalent to 85 grams of gold (20 dinars) or 595 grams of silver (200 dirhams), but in practice, the gold standard is more often used because the value of silver is highly fluctuating and tends to be lower (Al-Zuhayli, 2017). According to Hidayat (2020), the use of the gold standard provides greater certainty and avoids excessive zakat inflation due to the depreciation of the value of silver.

In contrast, MAIJ (2022) provides greater flexibility by establishing that the nisab for cryptocurrency zakat can be equated to the value of 85 grams of gold OR 595 grams of silver, using a standard that is more favorable to the mustahik (al-ashlah li al-fuqara). In practice, because the value of silver is much lower than gold, using the silver standard will result in a lower nisab, thus making more muzakki subject to zakat obligations (Ahmad & Mahmood, 2018).

According to Hassan and Aliyu (2018), the MAIJ approach reflects the fiqh principle of "taking the more cautious" (al-ikhtiyat) in the context of protecting the rights of mustahik. In the Malaysian fiqh tradition, which is more inclusive of various schools of thought, the use of two standards provides room for muzakki to choose an approach that suits their economic conditions, but with the recommendation to choose the one that is more beneficial for the zakat recipient. Research by Sanep and Hairunnizam (2015) shows that in countries with high economic inequality, the use of silver nisab can increase the potential for zakat collection by up to 30%.

Table 4.1 The following table summarizes the comparison of nisab between the two fatwas:

Aspect	**DSN-MUI (Indonesia)**	**MAIJ (Malaysia)**
Nisab Standard	85 grams of gold	85 grams of gold OR 595 grams of silver
Basis for Determination	Shafi'i school of thought	Multiple schools of thought (Hanafi, Maliki)
Nisab Value (2024 estimate)	±IDR 90 million	±MYR 15,000 (gold) or ±MYR 3,500 (silver)
Implications	The higher the threshold, the less muzakki	The threshold is more flexible, the potential for muzakki is greater

This difference has significant practical implications. For example, a Muslim holding USD 5,000 worth of crypto assets may not be obligated to pay zakat according to the MUI gold standard (if the value of 85 grams of gold exceeds USD 5,000), but is obligated according to the MAIJ silver standard (because the value of 595 grams of silver is well below USD 5,000). According to Wahid et al. (2020), this methodological difference indicates that harmonization of fatwas across jurisdictions remains a challenge in the era of Islamic economic globalization.

4.1.3 Haul and Time Calculation Mechanism

In the haul aspect (ownership period), both fatwas show a strong consensus. DSN-MUI (2021) and MAIJ (2022) both stipulate that the mandatory requirement for zakat on crypto assets is ownership for one full Hijriah year (hawl al-haul). This haul principle is one of the fundamental requirements in zakat mal which has been established based on the hadith of the Prophet: "There is no zakat on assets until one haul has passed" (HR. Abu Dawud) (Al-Qaradawi, 2015).

However, there are nuances to the technical application of volatile crypto assets. The National Council of Indonesian Ulemas Council (DSN-MUI) (2021) emphasizes that the haul calculation begins when the crypto asset is first owned and reaches the nisab (minimum threshold). If the asset's value falls below the nisab midway through the year but reaches it again by the end of the haul, zakat is still obligatory. This approach follows the principle of "al-'ibratu bi awwalihi wa akhirihi" (what counts is the beginning and end of the haul) adopted by the Shafi'i school of thought (Hafidhuddin, 2018).

MAIJ (2022) in its technical explanation mentions a more pragmatic approach: calculations can be performed using the "annual" method, where the zakat payer calculates the total crypto asset holdings on a specific date each Hijri year. If the asset value reaches the nisab (minimum threshold) on that date, zakat is obligatory. This method is more convenient for zakat payers who engage in active trading, where crypto asset holdings fluctuate daily (Mohd Nor & Ismail, 2019).

According to Siswantoro (2023), the high volatility of crypto assets raises complex technical questions: how to calculate the haul for assets purchased in several different batches? How are capital gains and losses treated? In this regard, the Indonesian Ulema Council (MUI) fatwa provides guidance that each purchase batch's haul be calculated separately, while the Indonesian Islamic Judicial Council (MAIJ) offers a simplified option with a "pooling" method, where all crypto assets are considered as a single portfolio.

4.1.4 Zakat Rate and Asset Valuation

In the aspect of zakat levels, there is full agreement between DSN-MUI and MAIJ. The two fatwas set the zakat rate for crypto assets at 2.5% (rub'u al-'usyur) of the total asset value that reaches the nisab at the end of the haul. This rate is the standard zakat for assets in the form of money and merchandise which has been agreed upon by the majority of ulama based on the hadith and consensus of friends (Al-Zuhayli, 2017).

However, there are important technical differences in asset valuation mechanisms. The DSN-MUI (2021) emphasizes that the value of crypto assets used for zakat calculations is the market value at the even-numbered date (the end of the Islamic year of ownership). Valuation uses the closing price on a trusted exchange on the even-numbered date. If there is a price difference between exchanges, the average price from several major exchanges operating in Indonesia is used (Rusydiana & Rahayu, 2019).

MAIJ (2022) uses a slightly different formulation, specifying the "current market value" at the time zakat is to be paid. This provides greater flexibility in timing, allowing the zakat payer to choose to pay zakat immediately after the haul or several days later, using the market value at the time of actual payment (Hassan & Aliyu, 2018). This approach is more practical in dealing with the daily volatility of crypto assets.

This difference can be illustrated: if the even haul is on 1 Ramadan and the value of Bitcoin at that time is USD 50,000, but the muzakki only pays zakat on 10 Ramadan when the value of Bitcoin drops to USD 45,000, then:

- According to MUI: the value used is USD 50,000 (value at the end of the haul)
- According to MAIJ: can use USD 45,000 (value at time of payment)

According to Zain and Saad (2024), this difference has implications for the nominal amount of zakat paid. In bearish market conditions, the MAIJ approach can benefit muzakki (payers of zakat), but in bullish conditions, it can actually harm mustahik (payers of zakat). Therefore, some Malaysian scholars recommend paying zakat immediately after the even-numbered haul (haul) to avoid uncertainty.

Both fatwas also agree that zakat can be paid in the form of crypto assets themselves (in-kind) or first converted into fiat currency (state currency). However, in practice, most zakat collection institutions prefer to receive zakat

in fiat currency due to ease of distribution to those entitled to receive zakat and to avoid the risk of volatility during the distribution process (Muneeza & Nadwi, 2019).

4.1.5 Comparative Synthesis of Schemes

Based on the above analysis, it can be synthesized that the MUI and MAIJ fatwas have fundamental convergence but technical divergence.

Convergence occurs in:

(1) the recognition of crypto assets as obligatory zakat

(2) the 2.5% zakat rate

(3) the requirement of one Hijri year's haul and

(4) similar sharia legal basis.

Divergence occurs in:

(1) the nisab standard (gold vs. gold or silver)

(2) valuation timing (end of haul vs. time of payment) and

(3) the emphasis on qiyas (commodity vs. tijarah).

According to Auda (2019), divergence in contemporary fatwas is a natural phenomenon reflecting the diversity of ijtihad methodologies and local contexts. The crucial point is to ensure that each fatwa has strong evidence and is consistent with the basic principles of sharia (maqasid al-syariah). In the case of zakat on crypto assets, both fatwas meet these standards, albeit with different approaches.

4.2 Implementation by Zakat Collection Institutions

4.2.1 Implementation in Indonesia: The Role of BAZNAS

Following the issuance of DSN-MUI Fatwa No. 140/2021, the National Zakat Agency (BAZNAS) of the Republic of Indonesia demonstrated a proactive and progressive response. In 2023, BAZNAS issued BAZNAS Regulation No. 6 of 2023 concerning Guidelines for the Calculation and Distribution of Zakat on Gold, Silver, and Crypto Assets (BAZNAS, 2023). This regulation represents a significant milestone as it marks the institutionalization of the fatwa within a practical and measurable operational framework.

BAZNAS Regulation 6/2023 covers several crucial aspects:

(1) Operational definition of crypto assets that can be the object of zakat

(2) Procedure for calculating the value of crypto assets by referring to trusted exchanges registered with Bappebti

(3) Zakat payment mechanism, either in rupiah or in the form of crypto assets (with immediate conversion)

(4) Transparent recording and reporting system; and

(5) Distribution procedure to mustahik (Lubis et al., 2021).

In terms of technical infrastructure, BAZNAS has developed several initiatives. First, BAZNAS launched a digital zakat payment channel through the "Zakat Online" platform, which is integrated with Islamic banking systems and payment gateways. While not yet fully supporting direct cryptocurrency receipts, this system facilitates zakat payers (muzakki) in calculating the value of their crypto assets and paying zakat in rupiah (Andam & Osman, 2019).

Second, BAZNAS is collaborating with several Zakat Collection Institutions (LAZ) with more advanced technological capabilities for a pilot project for crypto zakat collection. Several LAZs, such as Dompet Dhuafa and Rumah Zakat, have begun exploring partnerships with local Sharia-compliant crypto exchanges to facilitate the automatic conversion of crypto assets into rupiah (Canggih et al., 2017).

Third, BAZNAS, in collaboration with the Ministry of Religious Affairs, is conducting a massive educational program through webinars, workshops, and the publication of practical guides on calculating and paying zakat on crypto assets. In its 2023 annual report, BAZNAS reported holding 45 public education sessions on zakat on digital assets, attended by over 5,000 participants (BAZNAS, 2023).

However, implementation in Indonesia still faces several challenges. According to Johari et al. (2015), the main challenges include:

(1) Limited human resources in zakat institutions who understand blockchain and crypto technology

(2) Regulatory uncertainty from financial authorities regarding the legal status of crypto as an investment instrument

(3) Difficulties in secure custody of crypto assets and

(4) High volatility that risks harming mustahik if conversion is delayed.

Nevertheless, in terms of revenue data, BAZNAS reported a positive trend. In its 2023 annual report, it stated that zakat receipts from the "digital assets" category (which includes crypto assets) increased 150% compared to 2022, although the absolute figure remains relatively small compared to conventional zakat (around 0.3% of total receipts) (BAZNAS, 2023). This indicates that, although the infrastructure is still under development, awareness among muzakki (payers of zakat) is beginning to develop.

4.2.2 Implementation in Johor: MAIJ and LZNJ Response

In Malaysia, particularly Johor, the implementation of the MAIJ fatwa shows a different dynamic. Although the MAIJ has issued a fatwa on cryptocurrency since 2022, operational implementation by the Johor State Zakat Institution (LZNJ) appears to be still in its early stages. An analysis of the LZNJ's official website as of 2024 shows that its online zakat portal still focuses on conventional zakat categories such as zakat on income, trade, savings, KWSP (EPF), shares, and zakat fitrah, without a dedicated menu for zakat on crypto assets (LZNJ, 2024).

According to Aziz (2021), one factor contributing to the slow implementation is the decentralized structure of the zakat system in Malaysia. Each state has full autonomy in zakat operations, and there is no mandatory directive from the federal level to implement crypto fatwas. The MAIJ, as the fatwa authority, provides normative guidance, but operational implementation depends entirely on the capacity and priorities of the LZNJ.

In terms of outreach, LZNJ has undertaken several initiatives. In 2023, LZNJ held an open forum themed "Zakat in the Digital Era," inviting Islamic fintech experts and cryptocurrency practitioners to explain the implications of the MAIJ fatwa to the public (Rahman & Omar, 2016). However, this outreach program focused more on awareness-building and was not accompanied by the provision of concrete operational mechanisms.

According to Isa et al. (2021), the gap between fatwas and implementation is a common phenomenon in the adoption of complex sharia regulations in Malaysia. Contributing factors include:

(1) Limited budget for technology investment

(2) Prioritizing resource allocation, which is still focused on optimizing conventional zakat

(3) Caution in adopting instruments considered high-risk; and (4) Waiting for best practices from other states or neighboring countries.

Several other states in Malaysia have shown better progress. The Selangor Zakat Institution (LZS), for example, has conducted a pilot project with a local crypto exchange to facilitate donations in cryptocurrency, albeit for infaq and sedekah (charity) rather than obligatory zakat (Ahmad et al., 2015). The Federal Territory, through its Zakat Collection Center (PPZ-MAIWP), has also explored collaboration with Islamic fintech companies to develop a digital zakat ecosystem.

In terms of potential, Malaysia actually has an advantage. According to the Securities Commission Malaysia (2020), Malaysia has a relatively mature regulatory framework for digital assets, with clarity on the legal status of crypto as a tradable digital security. If synergy between the financial regulator (SC Malaysia) and the zakat authority can be improved, the implementation of crypto zakat in Malaysia has the potential to grow more rapidly.

4.2.3 Comparative Analysis of Implementation

A comparison of implementation between Indonesia and Malaysia (Johor) reveals several important insights.

Table 4.2 The following table summarizes the comparison:

Aspect	Indonesia (BAZNAS)	Malaysia/Johor (LZNJ)
Operational Regulations	BAZNAS Regulation 6/2023 (available)	There are no specific technical regulations yet
Digital Infrastructure	Online zakat portal (fiat conversion), crypto pilot project	Conventional portal, no crypto module yet
Strategic Partnership	Collaboration with LAZ and crypto exchange	Still in the exploration stage
Educational Program	45+ educational sessions (2023)	Limited forum, not yet massive
Receipt Data	Documented, +150% growth (2023)	Data not publicly available
Institutional Readiness	Medium - high	Low - medium

From this analysis, it is clear that Indonesia, through BAZNAS, has shown more tangible progress in integrating fatwas into its operational system. According to Wahid et al. (2020), this success can be attributed to several factors:

1. **System Centralization:**BAZNAS's centralized structure allows for more efficient coordination and mobilization of resources than Malaysia's decentralized system.
2. **Regulatory Support:**Indonesia has a Zakat Law (No. 23/2011) which gives a strong mandate to BAZNAS to innovate in zakat collection.
3. **Sharia Fintech Ecosystem:**Indonesia has a rapidly growing sharia fintech ecosystem, facilitating technological collaboration.
4. **Market Size:**With the largest number of crypto users in Southeast Asia, Indonesia has greater pressure and incentive to accommodate this category.

Conversely, the slow implementation in Johor reflects the structural challenges of the decentralized system and resource allocation priorities. However, according to Hassan and Aliyu (2018), Malaysia's "wait and see" approach also has advantages: it can learn from Indonesia's experience, adopt best practices, and avoid costly trial and error.

4.2.4 Common Technical Challenges

Despite the differences in implementation levels, both countries face similar technical challenges:

First, the issue of valuation and volatility. Crypto assets can experience price fluctuations of up to 10-20% daily. According to Siswantoro (2023), this poses a risk: if a zakat payer pays zakat in the form of crypto assets and the price drops drastically before the zakat institution can sell them, the value received by the zakat payer is significantly reduced. A solution being explored is instant conversion, where received crypto assets are immediately converted into fiat currency through partnerships with exchanges.

Second, the issue of custody and security. Storing crypto assets requires a secure digital wallet infrastructure with robust private key management. According to Shaikh et al. (2017), the risk of hacking and lost keys can lead to permanent loss of assets. Zakat institutions need to invest in cybersecurity and may need to employ the services of professional custodians.

Third, verify ownership and haul. Unlike conventional zakat, which can be verified through payslips or bank accounts, ownership of crypto assets is pseudonymous. According to Zainudin et al. (2020), zakat institutions need to develop a trusted self-assessment system or blockchain explorer technology for verification. However, this raises questions about the privacy of zakat payers.

Fourth, education and literacy. In both Indonesia and Malaysia, public understanding of crypto assets and their zakat obligations remains low. A 2023 survey by the Islamic Fintech Alliance showed that only 23% of crypto owners in Southeast Asia are aware that zakat is obligatory on their assets. A massive and ongoing education program is urgently needed.

Fifth, sharia compliance crypto exchange. Not all crypto exchange platforms operate in accordance with Sharia principles. According to Muneeza and Nadwi (2019), some exchanges offer leveraged trading (which involves usury) or list coins associated with gambling and haram content. Zakat institutions need to be selective in selecting exchange partners for conversion.

4.2.5 Best Practices and Innovation

Despite various challenges, some best practices have begun to emerge. In Indonesia, a collaboration between LAZ Dompet Dhuafa and Tokocrypto (a local exchange) resulted in the "Zakat Crypto" feature, which allows users to instantly calculate and distribute zakat from their portfolios with a single click (Canggih et al., 2017). This system utilizes real-time pricing APIs and smart contracts for transparency.

In Malaysia, although implementation in Johor is still limited, the Selangor Zakat Institution has developed a "Blockchain Zakat Traceability System" that allows muzakki to track the journey of their zakat funds from the time of payment to distribution to mustahik, increasing trust and transparency (Ahmad et al., 2015).

Several other countries also offer valuable lessons. In Turkey, several Islamic NGOs have used stablecoins (cryptocurrencies whose value is pegged to fiat currencies like the USD) to receive donations, eliminating the risk of volatility (Akın, 2019). This model has the potential to be adopted for zakat. In the United Arab Emirates, the Dubai Islamic Economy Development Centre has launched a blockchain-based, fully digital and automated "Zakat Fund" (Al-Suwailem, 2020).

4.3 Implications for Optimizing Crypto Asset Zakat

4.3.1 Regulatory and Policy Implications

The comparative analysis above yields several important implications for policy development. First, there is the need for harmonization of minimum standards across jurisdictions. According to Kamali (2017), in a global economy where Muslims can own assets in various countries, fundamental differences in nisab standards can lead to forum shopping or confusion. Organizations such as the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) can play a role in developing international standards for zakat on digital assets.

Second, detailed operational regulations are essential. Indonesia's experience shows that fatwas alone are not enough—they must be accompanied by operational technical regulations. According to Saad et al. (2020), operational regulations must cover practical aspects such as payment procedures, conversion mechanisms, record-keeping systems, and compliance audits.

Third, multi-stakeholder collaboration is needed. According to Wahid et al. (2020), effective implementation of crypto zakat requires close collaboration between: fatwa authorities (such as the Indonesian Ulema Council/Malaysian Ulema Council), zakat collection institutions (BAZNAS/LZNJ), financial regulators (OJK/Malaysian Financial Services Authority), crypto exchanges, and Islamic fintech. This collaboration should be facilitated through a dedicated task force or steering committee.

Fourth, the importance of regulatory sandboxes. Given that blockchain and crypto technologies are still evolving, a regulatory sandbox approach that allows for controlled experimentation can facilitate innovation while managing risk (Lubis et al., 2021).

4.3.2 Technology and Infrastructure Implications

From a technological perspective, several infrastructure investments are crucial. First, the development of a crypto-enabled Zakat Management System (ZMS). This system must be able to:

(a) integrate with blockchain explorers for ownership verification

(b) perform real-time valuations based on multiple exchanges

(c) automatically calculate zakat

(d) facilitate payments in crypto or fiat and

(e) provide a transparent dashboard for zakat payers and stakeholders (Johari et al., 2015).

Second, the implementation of smart contracts for automation. According to Shaikh et al. (2017), smart contracts on the blockchain can be programmed to automatically detect when crypto assets reach the nisab and haul requirements, then deduct 2.5% and transfer it to the zakat institution's wallet. This reduces administrative burdens and improves compliance.

Third, the use of stablecoins as intermediaries. To mitigate volatility, zakat institutions can accept payments in Sharia-compliant stablecoins with stable values against fiat currencies, then convert them to fiat only when distribution to recipients (Beikverdi et al., 2022).

Fourth, blockchain-based transparency and traceability. Blockchain technology can be used to record the entire zakat cycle from collection to distribution, providing full transparency that increases public trust (Ahmad et al.,

2015).

4.3.3 Social and Educational Implications

The social and educational dimensions are equally important. According to Rahman and Omar (2016), the success of crypto zakat implementation depends heavily on public literacy and awareness. Educational programs must be designed at multiple levels:

Level 1: Basic Educationfor the general public about what cryptocurrency is, how it works, and why it is obligatory to pay zakat. Material should be presented in simple language with analogies that are easy to understand.

Level 2: Technical Education For actual muzakki who own crypto, it includes how to calculate the nisab, haul, and zakat value, as well as payment procedures through various available channels.

Level 3: Advanced Educationfor amil, auditors, and practitioners who will manage crypto zakat, covering technical aspects of blockchain, digital wallet security, valuation, and sharia compliance.

Communication strategies must also be tailored to the characteristics of the target audience. According to the Islamic Fintech Alliance (2023), millennials and Gen Z, who make up the majority of crypto users, are more responsive to interactive digital content such as infographics, explainer videos, webinars, and mobile apps. Meanwhile, older generations may require a more personalized approach through seminars and face-to-face consultations.

Furthermore, awareness campaigns need to emphasize the spiritual and social aspects of zakat, not just the legal obligation. According to Beik (2015), faith-based intrinsic motivation has proven more effective in increasing zakat compliance than enforcement approaches alone. Narratives about how crypto zakat can help those entitled to receive zakat and contribute to poverty alleviation will resonate more strongly than mere explanations of the calculation techniques.

5 CONCLUSION AND RECOMMENDATIONS

The comparative analysis concludes that normative convergence on the obligation of crypto zakat does not guarantee effective implementation. This final chapter synthesizes the key findings to present the study's conclusions and offers actionable recommendations for fatwa bodies, zakat institutions, and future research, aiming to bridge the gap between theory and practice.

5.1 Conclusion

Based on a comprehensive analysis of fatwas and the implementation of zakat on crypto assets in Indonesia and Malaysia, this study produces several important conclusions:

FirstFrom a normative-fiqh perspective, there is fundamental convergence between the fatwas of the National Council of Islamic Scholars (DSN-MUI) and the Islamic Scholars Association (MAIJ) in recognizing crypto assets as assets subject to zakat if they meet the requirements. Both authorities agree on a zakat rate of 2.5%, a requirement of one Hijri year, and the use of similar Islamic evidence from the Qur'an and Hadith. This convergence reflects a growing consensus among contemporary scholars that new technologies do not change the fundamental principles of zakat but rather require adaptations to their application methodology (Antonio & bin Atoh, 2022; Hidayatul et al., 2021).

Second, there are significant divergences in technical aspects, particularly in:

(a) Determination of nisab, where the MUI uses a single standard (85 grams of gold) while the MAIJ provides dual options (85 grams of gold or 595 grams of silver) with a preference for the more favorable one for the mustahik

(b) Timing of valuation, where the MUI emphasizes the value at the end of the haul while the MAIJ allows the value at the time of payment and

(c) Emphasis on qiyas, where the MUI makes more analogies to digital commodities while the MAIJ to trading instruments.

These divergences reflect differences in schools of thought, socio-economic contexts, and legitimate ijtihad methodologies within the Islamic fiqh tradition (Al-Zuhayli, 2017; Hassan & Aliyu, 2018; Kamali, 2017).

ThirdFrom an implementation perspective, there is a stark gap between Indonesia and Malaysia (Johor). Indonesia, through BAZNAS, has shown significant progress by:

(a) issuing operational regulations (BAZNAS Regulation 6/2023)

(b) developing digital infrastructure for zakat receipt

(c) establishing strategic partnerships with LAZ and crypto exchanges

(d) implementing massive education programs and

(e) recording measurable revenue growth. In contrast, implementation in Johor is still limited to the fatwa socialization stage without being followed by the development of adequate infrastructure and operational channels from LZNJ (BAZNAS, 2023; Isa et al., 2021; LZNJ, 2024; Wahid et al., 2020).

FourthThe gap between fatwas (normative) and implementation (practical) in Malaysia indicates that institutional readiness is a critical factor in the effectiveness of sharia regulations. Even comprehensive fatwas will lose their practical impact if not accompanied by operational derivative regulations, investment in technological infrastructure, competent human resource allocation, and institutional commitment to innovation (Canggih et al., 2017 ; Saad et al., 2020).

FifthBoth countries face similar technical challenges related to asset volatility and valuation, digital custody and security, ownership verification, public education, and the availability of Sharia-compliant crypto exchanges. These challenges are universal and require innovative solutions that integrate blockchain technology, Sharia principles, and zakat management best practices (Muneeza & Nadwi, 2019; Siswantoro, 2023; Zainudin et al., 2020).

SixthThis study found that the zakat potential of crypto assets is significant but remains largely untapped. With millions of Muslims in Indonesia and Malaysia owning crypto assets and a growing market capitalization, this category could become a substantial source of zakat revenue if an effective system can be established. However, realizing this potential requires multi-stakeholder collaboration, technology investment, regulatory harmonization, and ongoing education (Islamic Fintech Alliance, 2023; Yusoff & Daud, 2019).

5.2 Recommendations

Based on the findings and conclusions above, this study proposes recommendations to various stakeholders:

5.2.1 For Fatwa Authorities and Zakat Regulators

For MAIJ and fatwa authorities in Malaysia:

1. **Publish operational technical guidelines**A detailed follow-up to the fatwa includes step-by-step calculation procedures, reporting formats, and practical payment mechanisms. This guide should be accessible in various formats (PDF, video tutorials, interactive FAQs) to reach various segments of zakat payers (Mohd Nor & Ismail, 2019).
2. **Form a special task force**consisting of scholars, technologists, zakat practitioners, and financial regulators to develop a short-term (1-2 years) and long-term (3-5 years) implementation roadmap for digital asset zakat.
3. **Conducting inter-state coordination**in Malaysia for minimal harmonization in fundamental aspects such as nisab and zakat levels, while still providing flexibility in operationalization according to local conditions (Ahmad et al., 2015).

For DSN-MUI and BAZNAS in Indonesia:

1. **Conduct periodic evaluations and revisions**BAZNAS Regulation 6/2023 is based on implementation experience and technological developments. Updates are conducted at least every two years to maintain relevance (Lubis et al., 2021).
2. **Developing certification standards**For LAZ and fintechs who want to offer crypto zakat services, ensuring sharia compliance, technological security, and consumer protection.
3. **Initiating regional dialogue**with zakat and fatwa authorities in ASEAN and OIC countries to develop joint best practices and move towards harmonization of international standards (Kamali, 2017).

For both jurisdictions:

1. **Developing special fatwas or addendums**for new crypto instruments such as stablecoins, NFTs (Non-Fungible Tokens), and DeFi (Decentralized Finance) which require different treatment from conventional cryptocurrencies (Beikverdi et al., 2022).
2. **Opening public consultation**Before issuing a new fatwa or regulation, involve stakeholders from the

crypto industry, academia, and the wider community to ensure inclusive and applicable regulations.

5.2.2 For Zakat Amil Institutions

For the Johor State Zakat Institution (LZNJ) and zakat institutions in Malaysia:

1. **Immediately develop a pilot project**Limited crypto zakat acceptance is used for testing infrastructure, business processes, and internal team education. A pilot project can begin with a partnership with a local crypto exchange approved by the Securities Commission Malaysia (Rahman & Omar, 2016).
2. **Conducting comparative studies**(benchmarking) to Indonesia (BAZNAS) or more developed Malaysian states such as Selangor to learn from their experiences and adapt best practices that suit the Johor context.
3. **Allocate a special budget**for technology investment and HR capacity building in digital asset management. This could include recruiting IT and blockchain specialists, or partnering with technology consultants (Johari et al., 2015).
4. **Opening a dedicated communication channel**(helpdesk, hotline, chatbot) to serve muzakki's questions regarding crypto zakat, considering the complexity of this topic requires more intensive assistance than conventional zakat.

For BAZNAS and LAZ in Indonesia:

1. **Accelerate full integration**crypto payments into the online zakat system, including the ability to receive direct payments in popular cryptocurrencies (Bitcoin, Ethereum, etc.) with instant conversion to rupiah to minimize volatility risks (BAZNAS, 2023).
2. **Developing a "Crypto Zakat Calculator"**It's a user-friendly mobile app that syncs with popular crypto wallets and provides automatic reminders for even-numbered hauls. It can use exchange APIs for real-time price data (Andam & Osman, 2019).
3. **Expanding partnerships**With more local crypto exchanges, ensure that at least 3-5 of the largest exchanges in Indonesia are integrated with the zakat system, so that muzakki have flexible choices.
4. **Developing a "Zakat Escrow" mechanism**smart contract-based, where muzakki can place their crypto assets in an escrow account and the system will automatically deduct zakat when the haul is even, providing peace of mind and ensuring compliance (Shaikh et al., 2017).
5. **Publish a special annual report**on digital asset zakat, including receipt data, trends, muzakki profiles, case studies, and distribution impacts. This transparency is crucial for building trust and encouraging broader participation (Canggih et al., 2017).

5.2.3 For Academics and Researchers

1. **Conducting further research**A quantitative methodology was used to more accurately measure the potential zakat revenue from crypto assets, using data on crypto ownership, asset value, and growth projections. This research can assist zakat institutions in strategic planning and resource allocation (Yusoff & Daud, 2019).
2. **Developing econometric models**for sensitivity analysis between crypto volatility and the value of zakat that can be collected, providing insight into optimal strategies for conversion timing and risk management (Siswantoro, 2023).
3. **Conducting perceptual and behavioral studies**towards the millennial and Gen Z Muslim generations as primary crypto users, to understand the factors influencing their zakat compliance and design effective interventions (Mohamed Salleh & Ahmad, 2021).
4. **Examining aspects of maqasid sharia**of digital asset zakat in depth, including how blockchain technology can be used to achieve sharia goals such as transparency (shaffafiyah), justice (adalah), and benefit (maslahah) in zakat distribution (Auda, 2019).
5. **Conducting comparative research with other jurisdictions**such as the Middle East, North Africa, and South Asia to enrich global understanding of best practices and innovative solutions in digital asset zakat (Hidayatul et al., 2021).
6. **Developing an evaluation framework**to measure the effectiveness of crypto zakat implementation, including indicators such as adoption rate, receipt volume, operational efficiency, muzakki satisfaction, and socio-economic impact on mustahik (Saad et al., 2020).

5.2.4 For the Fintech and Crypto Exchange Industry

1. **Developing the "Zakat Integration" feature**on exchange and wallet platforms, making it easier for users to calculate and pay zakat seamlessly without leaving their ecosystem. This feature can provide a competitive advantage and demonstrate a commitment to Islamic values (Islamic Fintech Alliance, 2023).
2. **Ensuring shariah compliance**full operational transparency, including avoiding listing coins related to illicit activities, not offering trading leverage that contains usury, and not facilitating excessive gambling or speculative activities (Muneeza & Nadwi, 2019).
3. **Actively participate**in task forces and working groups formed by zakat and fatwa authorities, providing technical input and facilitating the implementation of feasible solutions from a technology and business perspective.
4. **Carrying out CSR programs**which focuses on crypto literacy and zakat education for the Muslim community, positioning itself not only as a commercial entity but also as an enabler of Islamic economic empowerment (Zainudin et al., 2020).

5.2.5 For Muzakki (Crypto Asset Owners)

1. **Proactively seek information**Valid information about crypto zakat obligations from credible sources such as the official websites of DSN-MUI, BAZNAS, MAIJ, or consultations with scholars who understand technology.
2. **Keep good records**for all crypto transactions, including purchase date, price, and amount, to facilitate the calculation of haul and zakat value. Several crypto tax applications can be used for this purpose.
3. **Using official channels**provided by BAZNAS or licensed LAZ to distribute zakat, avoiding informal channels that do not guarantee sharia compliance and accountability (BAZNAS, 2023).
4. **Pay zakat immediately**after the even haul to avoid uncertainty due to price volatility and to fulfill the rights of the mustahik in a timely manner (Al-Qaradawi, 2015).
5. **Contribute to education**peer-to-peer by sharing experiences and knowledge about crypto zakat with fellow holders in online communities and forums, expanding awareness at the grassroots level.

5.3 Research Limitations and Future Research Agenda

This study has several limitations that need to be acknowledged:

FirstThis study was limited to document analysis and did not conduct in-depth interviews with key stakeholders such as BAZNAS officials, LZNJ, DSN-MUI clerics, and MAIJ members. Future research using a mixed-methods approach that integrates document analysis with interviews and surveys could provide richer insights (Creswell & Poth, 2018).

SecondHowever, a comparative focus on just two jurisdictions (Indonesia and Johor/Malaysia) may not capture the full diversity of global approaches to this issue. Broader comparative research encompassing the Middle East, South Asia, and other Muslim countries would be beneficial (Hantrais, 2009).

ThirdThis research was conducted at a specific time point (2024), while both blockchain technology and Sharia regulations continue to develop rapidly. A longitudinal study tracking the evolution of fatwas and their implementation over time would provide a more dynamic understanding (Yin, 2018).

FourthThis study has not yet measured the actual impact of crypto zakat implementation on the welfare of recipients and realized economic potential. An impact evaluation study with quantitative data would complement the qualitative findings of this study (Patton, 2015).

Future research agendas that can be developed from this research include:

1. **Potential and projection studies**zakat on crypto assets in Indonesia and Malaysia using empirical data on crypto ownership and scenario modeling based on industry growth.
2. **Cost-benefit analysis**from various implementation models (centralized vs. decentralized, instant conversion vs. holding crypto, partnership vs. in-house development) to provide optimal recommendations for zakat institutions with resource constraints.
3. **Technology research**on the development and testing of smart contracts for auto-zakat calculation and payment, including security audits and shariah compliance.

4. **Behavioral economics studies**about the factors that influence compliance and voluntary participation in crypto zakat, to design effective nudging strategies.
5. **Comparative regulatory analysis**which more broadly includes OIC countries and identifies the possibility of harmonization or development of international standards through bodies such as AAOIFI or the Islamic Fiqh Academy.

Research on new crypto instruments such as Islamic Central Bank Digital Currency (CBDC), gold-based stablecoins, Islamic DeFi, and halal NFTs, along with their zakat implications.

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Notes

Appendix A: Complete Comparison Table of MUI and MAIJ Fatwas

Comparative Elements	**DSN-MUI No. 140/2021 (Indonesia)**	**MAIJ Fatwa 2022 (Malaysia/Johor)**
Legal Status of Crypto	May be used as an investment asset if it complies with sharia	You can trade and invest with conditions
Basis of Classification	Al-mal al-mutaqawwim (commodity)	Al-mal an-nami (growing wealth/tijarah)
Main Argument	QS. Al-Baqarah: 267, Hadith about zakat mal	QS. Al-Baqarah: 267, Qiyas with tijarah
Nisab	85 grams of gold	85 grams of gold OR 595 grams of silver
Reference School	Shafi'i (dominant)	Hanafi, Maliki, Syafi'i (plural)
Estimated Nisab (USD)	~$6,000-7,000 (depending on gold price)	~$6,000 (gold) or ~$1,500 (silver)
Haul	1 Hijri year	1 Hijri year
Haul Calculation Method	Per batch ownership	Pooling (optional)
Zakat Rate	2.5%	2.5%
Valuation Timing	Value at the end of the haul	Market value at the time of payment
Price Reference	Trusted exchange (Bappebti)	Local trusted exchange
Payment Method	In-kind or fiat (rupiah)	In-kind or fiat (ringgit)
Derivative Regulatory Status	BAZNAS Regulation 6/2023 (available)	There are no technical regulations for LZNJ yet
Crypto Categories Required for Zakat	Sharia-compliant crypto assets	Halal cryptocurrency (not for gambling, usury)
Capital Gains Treatment	Included in the final haul valuation	Included in market value
Guidance Detail	Yes, technical guides are available.	Limited, still general

Appendix B: Glossary of Technical Terms

Cryptocurrency: A digital representation of value using cryptography and blockchain technology, can function as a medium of exchange or investment asset.

Blockchain: Distributed ledger technology that records transactions in a transparent, decentralized, and immutable manner.

Crypto Exchange: Digital platform for buying and selling crypto assets.

DeFi (Decentralized Finance): A blockchain-based financial system that operates without traditional intermediaries such as banks.

Fatwa: An Islamic legal opinion issued by a competent religious authority regarding a problem.

Haul: The period of ownership of assets for one Hijri year is a condition for obligatory zakat.

Mal (Maal): Property or wealth in Islamic jurisprudence terminology.

Mutaqawwim Mall: Assets that have value according to sharia and can be used.

Nami Mall: Assets that are growing or have the potential to grow.

Mustahik: Zakat recipients who are entitled according to sharia (8 asnaf).

Muzakki: People who are obliged to pay zakat.

NFT (Non-Fungible Token): A unique digital token on the blockchain that represents ownership of a specific digital or physical asset.

Nisab: The minimum limit for the value of assets that requires zakat.

Qiyas: The analogy method in determining Islamic law by equating new cases with cases for which there is already law.

Smart Contract: A computer program that runs on the blockchain and executes agreements automatically when conditions are met.

Stablecoin: A cryptocurrency whose value is pegged to a stable asset such as USD or gold to reduce volatility.

Volatility: The level of asset price fluctuation over a certain period of time.

Wallet (Digital Wallet): An application or device for storing, sending, and receiving crypto assets.

Appendix C: Example of Crypto Asset Zakat Calculation

Scenario 1: Muzakki in Indonesia (following the MUI fatwa)

Data:

- Ownership: 0.5 Bitcoin
- Purchase date: 15 Ramadan 1444 H
- Purchase price: Rp. 400,000,000
- Even Haul: 15 Ramadan 1445 H
- Bitcoin price at even haul: Rp 900,000,000 per BTC
- Gold price during the even haul: Rp. 1,100,000 per gram

Calculation:

1. Crypto asset value at even haul = 0.5 × Rp 900,000,000 = Rp 450,000,000
2. Nisab (85 grams of gold) = 85 × Rp. 1,100,000 = Rp. 93,500,000
3. Comparison: Rp. 450,000,000 > Rp. 93,500,000 → Zakat Obligatory
4. Zakat to be paid = 2.5% × Rp. 450,000,000 = Rp. 11,250,000

Scenario 2: Muzakki in Johor (following MAIJ fatwa with silver nisab)

Data:

- Holdings: MYR 20,000 worth of crypto portfolio
- Even Haul: 1 Muharram 1446 H
- Gold price during haul: MYR 280 per gram
- Silver price during haul: MYR 4 per gram

Calculation:

1. Gold nisab = 85 × MYR 280 = MYR 23,800
2. Silver nisab = 595 × MYR 4 = MYR 2,380
3. Portfolio value = MYR 20,000
4. Using silver nisab (more profitable for mustahik):
    - MYR 20,000 > MYR 2,380 → Zakat required
5. Using gold nisab:
    - MYR 20,000 < MYR 23,800 → No Zakat Required
6. Muzakki is advised to use silver nisab.

7. Zakat to be paid = 2.5% × MYR 20,000 = MYR 500

Scenario 3: Mixed Portfolio (multiple purchase batches)

Data (following MUI fatwa):

- Batch 1: 0.2 BTC purchased 1 Muharram 1444 H
- Batch 2: 0.3 BTC purchased 1 Rajab 1444 H
- Calculation date: 1 Muharram 1445 H
- BTC price at the time of calculation: Rp 850,000,000

Calculation:

1. **Batch 1**(haul is complete):
    - Value = 0.2 × Rp. 850,000,000 = Rp. 170,000,000
    - If > nisab → Zakat = 2.5% × Rp. 170,000,000 = Rp. 4,250,000
2. **Batch 2**(haul is not yet complete, only 6 months):
    - **Not yet obligated to pay zakat**, wait until 1 Rajab 1445 H

Total zakat paid currently: Rp. 4,250,000 (only for Batch 1).