

ANALYSIS OF THE USING OF E-MONEY IN INDUSTRIAL REVOLUTION 4.0

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Abstract

Recently, the financial technology (fintech) issue has risen in significance impact. Thus, it cannot be denied, fintech has been involved in daily transaction. It is such as payment, bonds transaction, loan, and other. The society tends to use the non-cash transaction because it gave convenience and time efficiency. The aim of this research is to discuss how the law of the use of E-Money (Electronic money) in non-cash transaction in Indonesia. The method was conducted by library research. The findings of the research; there are the different opinions among academicians and ulamas. The first opinion is based on Hanafi Madzhab and the second opinion is based on Syafei madzhab. The Hanafi Madzhab allows the Electronic money without any doubt, but Syafei Madzhab elaborates that in muamalah transaction so there must be a clear Akad in every transaction.

Keyword: E-Money, Non-Cash Transaction, Fintech

I.A. Introduction

In the past, when we wanted to do something like this, eating something we want then we need to go to the restaurant to get the food we want. Likewise when we want to buy our clothes the current goes to the market to pick the clothes we want. But this is not we need to do it because for the present time it's enough to press wrong one application in our cellphone is our food and clothes we want we can have it even directly we can get it without our need go to restaurants or markets. The items we want will also be delivered to house.

At the present time to make any payment we do not need to come to the destination because both banks and other business organizations provide a system that makes it easier for consumers to make payment transactions. One example is that almost all service banks provide mobile banking services. With this application we can find out how much money we have in the Bank, can also transfer money to other accounts. Including buying electricity tokens, we only need to buy through the mobile banking.

With the convenience, customers are expected to be comfortable in financial transactions in the banking world. Currently the aviation and transportation industry also serves the ticket trading system online. Payment is via transfer or credit card usage. Even to buy a ticket to

watch a movie, you are now using online ticket booking, and you can already choose a seat to watch a movie without going to the cinema directly and waiting in line. This period was named after the Industrial Revolution 4.0.

The period of the Industrial Revolution 4.0 is besides having positive and negative impacts. Industry term 4.0. is known from the effects of "Internet of things" where the development of the internet, technology, and machinery became a movement to replace human power. Therefore, nowadays many companies use capital intensive rather than labor intensive. This caused many job vacancies to be replaced with machines so that there was a lot of unemployment. This is one of the negative effects of the 4.0 industrial revolution.

The positive impact is the ease in every activity that we do. One of them is the traffic as previously stated. 4.0 industrial revolutions also change the payment system that we usually use cash (cash) now through transfer only. This caused the current payment system to use e-money (electronic money) to develop very rapidly. In the provisions of Bank Indonesia Regulation Number 11/12 / PBI / 2009 concerning Electronic Money in the provisions of Article 1 Paragraph 3, "Electronic Money is a payment instrument issued on the basis of money deposited in advance by the holder to publisher¹.

Based on Bank Indonesia Payment System Statistics, up to December 2017 the amount of electronic money reached 90 million instruments, this number declined from 113 million in November. However, compared to December 2016 which was 51 million, This number has almost doubled, in terms of transactions, the nominal per December 2017 reached Rp. 11.5 trillion or a 64% growth compared to December 2016 which was valued at Rp. 7.06 trillion, which doubled compared to growth from 2015 to 2016 which amounted to 33.7%. The rapid growth is also seen in the electronic money infrastructure. In December 2016 the number of reading machines was still 374,861. However, at the end of 2017 the number jumped to 691,331 pieces² the development of electronic money has continued to continue until now.

In the concept of Islamic economics, there are several differences of opinion from the scholars. At the Hanafi school it allows the use of electronic money but not for the Syafei

¹ Bank Indonesia. (2009). *Explanation Of Bank Indonesia Regulation Number 11/12 / PBI / 2009 Concerning Electronic Money*. Jakarta, Indonesia: Bank Indonesia.

² www.bisnistempo.com, accessed March 15, 2019 editor Ali Akhmad Noor Hidayat

school. Madhab Syafei asserted that in the Islamic concept everything must be clear especially in the contract. There are items that are used as proof of payment. Especially at the time of the Prophet and his companions there was no payment using electronic money. This study tries to explain the history of the use of money since the time of the Prophet Muhammad and how the law of E-money use is in the opinion of scholars. What are the positive and negative effects of using E-Money itself. So the title of this research is Analysis of the Use of E-Money in the Era of Industrial Revolution 4.0.

II. Research Methodology

This research uses Library research. Library research is the research whose findings are obtained by looking for data from various literature and references related to the material discussed.

The method of research is qualitative where the findings are not through statistical procedures or other findings. We carry out data collection techniques by conducting research on various literatures conducted to find concepts that have relevance to the topic of discussion through assessment books, journals, magazines, and opinions of experts indirectly.³

III. Previous Related Study

We as researchers are not the first to examine the impact of e-money. Before we had many researchers who conducted research on E-money, the aspects discussed by each researcher differed. One of them is Putri Nela Hapsari (2017) conducting a research entitled "Analysis of the Effect of E-money Usage & Substitution of E-Money Transactions on Cash Transactions in Indonesia. The results of his research show that the use of E-Money in Indonesia continues to increase along with the development of infrastructure that continues to be developed.

Different from Putri Luthfan Darma Prasetia⁴ doing research on E-money but with different aspects. The title of his research is "The Effect of Using Electronic Money on Money Turnover in Indonesia". Asil this research proves that there is a significant influence between the use of e-money on money turnover in Indonesia.

³ Muamar, Afif dan Ari Salman Al-farizi. 2017. *Electronic money (e-money) in the perspective of maqashid sharia*. *Journal Of Islamic Economics Lariba* Vol. 3 issue : 2, page 76

⁴ Luthfan, Putri Prasetia 2018. *Effect of Using Electronic Money Against Money Turnover in Indonesia*

In addition there are researchers who discuss the impact of using E-money on credit card usage. Laila Ramadani (2016) is a researcher who did it. Others take the research title, "The Effect of Using Debit Cards and Electronic Money on Student Consumption". The results of his research prove that there is a positive introduction between debit cards and electronic money on student consumption expenses. This means that the greater the use of debit cards and electronic money, the greater the student consumption expenditures⁵.

The discussion about the existence of a Credit Card after E-money was discussed by Pranoto and Salma in 2018 with the research title "The Existence of a Credit Card with E-money as a Payment Instrument Legitimate". The results of his research prove that credit cards are less than before E-money⁶. Research that discusses the law of using E-money in our country is also widely studied by Made Nurmawatu and Dewa Made Krishna. In the abstract of their research, it was stated that E-money is a payment instrument that has been approved by our country⁷.

Aris Rudiyanto conducted a research entitled "Review of Sharia Principles on Bank Syariah Mandiri E-Money Products". Results of his observations prove that from sharia principles there are sharia problems in the aspect of contract, this is because this product does not have contract nomenclature in product operations which creates uncertainty (gharar), as well as transaction aspects because the bank does not restrict or control goods sold by merchants who collaborated with the bank so it was feared that it could be used to buy goods that were not halals.

B. LITERATURE REVIEW

Definition of Money according to Islam

Etymologically, the definition of money (nuqud) is:

2. Al-Naqudu: i.e. good from the dirham

⁵ ~~Ramadani, Laila. 2016. *The Effect of Using Debit Cards and Electronic Money on Student Consumption*~~

⁶ Pranoto dan Salma Sekar Salsabila. 2018. *The Existence of a Credit Card with the existence of Electron Money Technology as an Authorized Payment Instrument. Privat Law*. Vol 6 No. 1

⁷ Made, I Dewa dan Made Nurmawati. 2017. *E-Money Legality As A Tool Legitimate Payments Enter the Freeway*. Fakultas Hukum Universitas Udayana

⁸ Rudiyanto, Aris. 2017. *Sharia Principles Review of E-Money Products Bank Syariah Mandiri., Skripsi*. UIN Syarif Hidayatullah

3. Al-Naqdu is cash (the opposite of delay) which is giving a fee immediately. In the jabir hadith it is stated that "Naqadani at-tsaman" is to pay me in cash and then use the items already paid including the use of the word *masdar*.

Arabs at the time of the Prophet did not know the word Nuqud they used the word Dinar and dirham as a medium of exchange. As much as *fulus* is a copper money which is also extra money to buy cheap items. The meaning of dinar and dirham are a). Dinar is a form of the Roman language, namely the word Denarius, which means mold gold; b) The dirham comes from Greek, Drachma which means silver mold. Muslim scholars Al-ghazali and Ibn Khaldun money can be interpreted as everything used as (1)Standard size of price value (2)Media transactions (3)Value storage media. From the explanation above, we can conclude that the most important function of money is not the form of money itself. Gold money was issued by King Dinarius of the Roman Empire. Gold money itself has a stable value. This also applies to the dirhams originating from Persia, precisely from Sasanid's confession. Therefore, although not published by the Islamic state Rasululla SAW used it as a medium of exchange⁹.

Definition of Money in Conventional Science

According to Abdul Mukhi¹⁰ Money in traditional economics is defined as any medium of exchange that is generally accepted. In modern economics, money is defined as something that is available and generally accepted as a means of payment for the purchase of goods and services and other valuable assets as well as for payment of debt¹¹.

There are several kinds of functions of money including:

1. Exchange instruments or medium of exchange that can facilitate exchange.
2. The unit of account is used to show the value of various types of goods / services that are traded, shows the amount of wealth, and calculates the size of the loan, also used to determine the price of goods / services (means of price).

⁹ Susanti, Resi. 2017. *History of Money Transformation in Islam*. Jurnal Aqlam. Vol.2 No.1, page 34-35.

¹⁰ Fadilla. 2016. *Effect of Accounting Value on Student Financial Management (STEBIS IGM)*. Journal of Ecoment Global. Vol.1 No.2.

¹¹ Ibid

3. Currency storage equipment because it can be used to divert purchasing power from the present to the future.
4. Standard payment in the future (standard of demand payment). Economic experts have understood the standard of an object can be made as money. The object must meet several requirements, including gardening conditions: a) Must be accepted generally (acceptability); b) Has a high value or guaranteed existence by the ruling government; c) Material made into money must also be durable (durability); d) the quality tends to be the same (uniformity); e) the amount can meet the needs of the community; f) scarcity; g) Must be portable (portable) and easy to share without reducing the value (divisibility); h) has a value that tends to be stable over time (stability of value). As for the type of money itself, it is divided into several types, namely according to the form, the type of the ingredients and the value. Distribution of money by type includes: a) Currency (often also called common money) is a legitimate payment instrument and must be used by the public in carrying out daily transactions; b) demand money, is money owned by the community in the form of deposits (deposits) that can be withdrawn as needed.

History of Money Printing

1. The period of the Prophet Muhammad

When the Prophet Muhammad SAW was sent as a prophet and Apostle, he established what had become the tradition of the Meccan population. He ordered the residents of Medina to follow the size of the scale of the population of Mecca when they transacted using dirhams in numbers instead of scales of the Prophet Muhammad said: "Scales are the scales of the inhabitants of Mecca and the doses of the inhabitants of Medina" Because of this order there was a difference in the amount of dirhams in Persia because there were 3 forms of money printing, namely: 20 carat size, 12 carat Kuran and 10 carat size. Then it was set in the Islamic dirham to be 14 carats by dividing everything by an average of 3. By calculation = 14 This value is equal to the *daniqsesi* value with 7 *mitscal* in the present time equated with grams.

2. Period of Caliph Rashidin

- a. **Abu Bakr:** During the reign of the Caliph of Abu Bakr the state of the form of money was still the same as the period of the Prophet Muhammad, namely using the Dinnar currency and dirham.
- b. **Ummar Bin Khatab:** In the year 18 H that is when the Caliph Ummar was printed the Islamic dirham. Caliph Ummar does important things in money matters such as:
 1. Printing of dirham money with features that show Islam. At this time the form of money was almost the same as Persia but there were additional writings such as "Al-hamdulillah".
 2. Dirham standards are defined as equal to the original 1 dirham equal to 7/10 dinars or equivalent to 2.97 grams with a standard basis of dinar value of 4.25 grams.
 3. Made in other forms of money, namely animal skin with the idea that the basic ingredients of animal skin are easy to down, but that is undermined because many friends disagree with the consideration that the skin cannot be used as a standard of assessment because of fluctuating leather prices.

Finally the Caliph Ummar sets the standard of the Dinnar coin and the dirham weighing 7 dinnars is equal to 10 dirhams. The gold dinar standard uses 22 carats and weighs 4.25 grams. While the dirham must use 3.0 grams of pure silver. This decision was determined by the scholars at that time.

- c. **Uthman ibn Affan;** At this time the development of printing dinas and dirhams by modifying them by using Islamic symbols. Inside the dinnar money is written "Allahu akbar". At the boundary of the coin there are words of kuffi script which means "Grace with Allah's asthma, with my Lord's asthma for Allah and Muhammad.
- d. **Ali bin Abi Talib:** At the time of the Caliph Ali printing the dirham following the Caliph Ustman bin Affan only wrote in one of his circles the sentences of Bismillah, Bismillah Rabbi, and Rabiyaallah with the writings of kufi.

3. The Age of the Umayyad Dynasty

Printing money on the Umayyad Dynasty since Muawiyah bin Abi Sofyan still continued the Sasanid model by adding a few words monotheism. In the year 76 H Abdul Malik bin Marwan made a currency that breathed its own Islamic model. Abdul Malik is able

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to realize political and economic stability, reduce counterfeiting and manipulation of currencies. Even when Abdul Malik and Hisham bin Abdul Malik even punished people who falsified money with 1,000 lashes and more than 100 people. In the end Dinnar in the Umayyad Dynasty was famous for being smooth, accurate and pure.

4. During the Abbasid Period and thereafter.

During the Abbasid period the printing of money still continued the printing system during the Umayyad period. At the time of Al-Saffah the dirham was initially reduced to one item then reduced by one item then continued with 2 items, continuing during the Abu jafar Al-Mansur period. During the Dinasti Fathimiyah period, the mixed dirhams caused a lot of mixed dirhams so that the value dropped.

During the Shalahudian Al-Ayyubi gold raw material was insufficient for dinar printing, this was caused by war. Because the main currency was not pure as well as silver and even half of it was copper, the printing of money like this continued during the time of the Children of Job. During the Mamalik administration, copper money printing was widespread. Even king Al-Zhahir Barquq and his son Fajr, copper money became the main currency because: 1) Silver sales in European countries; 2) Copper imports from European countries; 3) Increased consumption of silver¹².

Applicability of Banknotes

In 1839 the Ottoman government issued a banknote-shaped currency with the name gaima, but its value continued to decline because the people did not trust it. In World War 1 in 1914 Turkey and other countries imposed banknotes as legitimate payment instruments and canceled the entry of gold and silver money. Since then paper money has been recognized as a payment tool throughout the world¹³.

Since then paper money has been recognized as a legitimate means of payment as well as being recognized as a form of wealth. Paper money itself has several advantages and disadvantages. As for the excess paper money: Easy to carry; issuance costs are smaller than coins; and can be divided in any number. Besides the excess paper money also has several disadvantages, among others: a) Exchange rate stability is not guaranteed; b) The printing of

¹² Susanti, Resi. 2017, *History of Money Transformation in Islam. Jurnal Aqlam*. Vol.2 No.1, p.ages 37-39

¹³ Ibid

excessive amounts of banknotes will cause inflation; c) If the value of money goes down then the price will rise.

Exchange of the Equipment Reform in the Present / Industrial Revolution 4.0.

The present is known as the era of the Industrial Revolution 4.0. Circumstances are where the advancement of technology has caused many changes in all aspects including payment systems and buying and selling transactions. Now many emerging tech tools are used for payments including money. At present for payments using E-Money (Electronic Money). There are several definitions of electronic money. According to the Bank for International Settlements (BIS) in 1996 electronic money was "stored or prepaid products in which a record of the value or value available to a customer is stored on electronic devices in the customer 's possession". (Bank for International Settlement, 1996 in Muamar and Salman 2017: 76). As for According to Bank Indonesia Regulation Number 16/08 / PBI / 2014 concerning Amendments to Bank Indonesia Regulation Number 11/12 / PBI / 2009 "Electronic Money (Electronic Money) is a payment instrument that fulfills the following elements, including¹⁴

1. Published on the basis of the value of money deposited in advance to the issuer;
2. The value of money is stored electronically on a media server or chip;
3. Used as a means of payment to traders who are not publishers of electronic money;
4. The value of electronic money managed by the issuer is not a deposit as referred to in the law governing banking ".¹⁵

The Purpose of Using E-Money

The purpose of using E-money such as: to simplify the payment process by facilitating the transaction; optimizing people's purchasing power and at the same time increasing the ability of people's purchasing power; and increasing government revenues ¹⁶

Types of Electronic Money

1. Based on the media:

¹⁴ Pranoto dan Salma Sekar Salsabila. 2018. *The Existence of a Credit Card with the existence of Electron Money Technology as an Authorized Payment Instrument*. Privat Law. Vol 6 No. 1

¹⁵ Ibid

¹⁶ Rivai, V, Veithzal, A.P.,&Idroes, F.N. (2201) Bank and Financial institution management, Jakarta, Indonesia, Raja Grafindo Persada, pp. 1367–1368

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- b) Electronic money whose value of money other than recorded on electronic media managed by the publisher is also recorded in electronic media managed by the holder¹⁷.
- c) Electronic money whose electronic money value is only recorded on electronic media managed by the publisher¹⁸

Based on the period of validity

- a. Reloadable is electronic money that can be done by refilling,
- b. Disposable electronic money that cannot be refilled.

Based on the range of uses, electronic money can be divided into two:

- c. Single-Purpose is electronic money that can only be used for payment transactions for obligations arising from one type of economic transaction, and

Multi-Purpose is electronic money that can be used for various types of economic transactions

Based on the type

There are several types of electronic money, these types of electronic money include:
a) Issuance and refill of electronic money. Before the publisher publishes electronic money, the issuer will first fill the money value into electronic media that will be used as electronic money. Then if the electronic money value held by the holder has expired, the holder can top up;
b) payment transactions with electronic money are principally carried out by exchanging the value of money in electronic money with goods or services between holders and sellers using the protocol that has been predetermined.¹⁹

Electronic Money Transaction Mechanism (E-Money)

The implementation of electronic money is specifically regulated in Bank Indonesia Regulation Number 16/8 / PBI / 2016 concerning changes to Bank Indonesia Regulation Number 11 / 12PBI / 2009 concerning electronic money, the mechanism and flow of

¹⁷ Hidayati, S., Nuryanti, I., Firmansyah, A., Fadly, A., & Darmawan, I. Y. (2006). *Operational of E-money*. Jakarta, Indonesia: Bank Indonesia, p. 7

¹⁸ Muamar, Afif dan Ari Salman Al-farizi. 2017. *Electronic Money (E-Money) In The Perspective Of Maqashid Sharia*. Journal Of Islamic Economics Lariba Vol. 3 issue : 2, p. 77

¹⁹ Ibid

electronic money transactions in general there are three types, namely Single Issuer, Multi Issuer Single Operator, and Multi Issuer Multi Operator.

Multi Issuer Single Operator, and Multi Issuer Multi Operator are generally almost the same mechanism using more than one Issuer that publishes electronic money but the difference lies in the number of operator systems used. The electronic money transaction mechanism in Single Issuer, there is only one publisher, where the operator system is carried out by the issuer itself. Electronic money holders and merchants interact directly with publishers. The electronic money transaction mechanism for Multi Issuer Single Operator and Multi Issuer Multi Operators has more than one Issuer that issues electronic money²⁰.

In simple terms, electronic money transactions begin when the holder exchanges cash with the issuer (Issuer), then the issuer will give electronic money to the holder with an amount equal to the money deposited by the holder to the issuer. After the holder gets electronic money, the holder can use it for payment transactions to the merchant (Merchant) directly the value of the holder's electronic money will be reduced after the holder makes a payment transaction. Then the merchant (Merchant) can exchange the value of electronic money obtained from the holder to the issuer (Issuer).

Legal Use of Sharia E-Money

In Islam, basically the use of all kinds of *Muamalah* is basically allowed as long as it does not conflict with sharia principles. As stated in the rules of *fiqh*:

Something that applies based on custom is the same as something that applies based on syara (as long as it does not conflict with sharia).

Elements that forbid if the transaction contains several elements that are prohibited in Islam, namely; Maisyir (gambling); gharar (obscurity); usury; unlawful goods; tadbis (fraud)²¹

In the Word of Allah SWT as contained in the verse 29,

يَا أَيُّهَا الَّذِينَ آمَنُوا لَا تَأْكُلُوا أَمْوَالَكُمْ بَيْنَكُمْ بِالْبَاطِلِ إِلَّا أَنْ تَكُونَ تِجَارَةً عَنْ تَرَاضٍ مِنْكُمْ ۚ وَلَا تَقْتُلُوا أَنْفُسَكُمْ ۚ إِنَّ اللَّهَ كَانَ بِكُمْ رَحِيمًا

²⁰ Hidayati, S., Nuryanti, I., Firmansyah, A., Fadly, A., & Darmawan, I. Y. (2006). *Operational of E-money*. Jakarta, Indonesia: Bank Indonesia, p. 52–54.

²¹ Rudiyanto, Aris. 2017. *Sharia Principles Review of E-Money Products Bank Syariah Mandiri, Skripsi*. UIN Syarif Hidayatullah page 39-42

Translation: *O ye who believe, do not eat each other's wealth in a way that is vanity, except by the way of commerce that applies with the likes of you. And do not kill yourself; surely Allah is the Most Merciful to you.*

Money is closely related to assets, because money is basically human property. Property is one of the core needs in life, where humans cannot be separated from it. Allah SWT has faith in QS. Al-Kahf (18): 46 which means: "Assets and children are jewelry of the life of the world but deeds that are eternal are virtuous is better reward on the side of your Lord and better to be hope". Keeping property is one important element because it relates to the benefit of wealth. According to Ahmad Al-Mursi Husain Jauhar, in maintaining or maintaining property there are three important requirements that must be considered, namely: 1) requiring that assets must be collected in a lawful way, meaning that they are not obtained by stealing, cheating, etc ; 2) Property used for lawful matters; 3) and from this property, the right of God and the community where he lives must be excluded. After all three conditions are met; one can enjoy his property wholeheartedly, but without waste because waste is inversely proportional to hifdzul mal.

From the information and the hadith above, many ulama argue that the use of Electronic money as a legal and legal payment instrument is used. This is because in the study of Fiqh everything is lawful and adjusted to the times as long as it does not conflict with sharia principles.

Therefore, the National Sharia Council (DSN) issued fatwah which regulates the use of E-Money, namely:

1. Electronic money is a payment instrument that meets the following conditions:
 - a. Issued on the basis of the nominal amount of money paid in advance to the issuer;
 - b. The nominal amount of money is stored electronically in a registered media;
 - c. The amount of nominal electronic money managed by the issuer is not a deposit as referred to in the law governing banking
 - d. Used as a means of payment to traders who are not publishers of electronic money.

2. Sharia electronic money is electronic money in accordance with sharia principles (Fatwa of the National Sharia Council No. 116 / DSN-MUI / IX / 2017 concerning Sharia Electronic Money)²².

The combination of a combination of opinions is also confirmed by the opinion of several Imam Madhab namely Imam Syafei and Hanafi. Imam Hanafi allows the use of E-money by referring to the Prophet's hadith mentioned above. Imam Syafei also justified E-money during the contract which was carried out clearly and real. The clarity of what is to be done is absolutely necessary because the transactions carried out must not conflict with Islamic rules, namely those containing MAGHRIB (Maisyir, Gharar, Riba) goods that are traded must also be clear and do not contain illicit things. and the transaction does not contain fraud.

The suitability of electronic money with the principle of maintaining data assets has the following advantages:

- 1) Security in electronic money is guaranteed this happens because electronic money is protected by a complete security system. For example: Registered electronic money is protected by a security system in the form of a PIN or fingerprint that can protect the value of electronic money from all forms of crime or negligence such as theft, loss and other forms of crime. However, keep in mind that unregistered electronic money is usually not equipped with a PIN or fingerprint (Giovanni, 2017).
- 2) Halal electronic money is guaranteed. This can be evidenced by the avoidance of electronic money from things that are not justified by syara, such as avoiding usury (Transactions in electronic money are basically buying and selling transactions / exchanging ribawi goods, namely exchanging cash with electronic money. Exchange of money cash with electronic money must be the same amount, if the amount is not the same, then electronic money is classified in the form of usury al-fadl, which an addition is obtained from one of the two items exchanged in exchange for similar goods. when the exchange of cash with electronic money must be the same, this is in line with Bank Indonesia Regulation Number 16/8 / PBI / 2014, Amendment to Bank Indonesia Regulation Number 11/12 / PBI / 2009 concerning Electronic Money (Electronic Money), Article 13 paragraph 1 which reads:

²² Ridwan, Muhamad Firdaus. 2018. *E-Money in the Sharia Economic Law Perspective*. Tahkim. Vol. XIV No.1

"Publishers are prohibited from issuing electronic money with greater or more electronic money small value of money deposited to the Issuer "²³.

This regulation makes electronic money avoid usury al-fadl. In addition, the exchange between the value of cash and the value of electronic money must be made in cash, otherwise it is classified as *riba al-nasiah*. For example, when a holder or trader redeems the value of electronic money to the value of cash to the issuer, the issuer must fulfill the claim right in a timely manner without any deferred payments²⁴. Electronic money is also spared from *Maysir* because its implementation is based on the need for payment instruments that can work quickly and precisely, not based on transaction needs that contain *Maysir*, avoid fraud such as counterfeit money and in transactions carried out with good cooperation between the issuer and holders and traders, as well as the transparency of the management of float funds proves that the administration of electronic money has been spared from fraud where no party has been harmed²⁵.

Besides avoiding things that are prohibited by *syara* ', halal electronic money is also supported by a clear contract because electronic money transactions are carried out without coercion and carried out by procedures that are in accordance with Islamic law that are carried out directly and do not contain usury as the previous statement. Then electronic money is also in accordance with the concept of money in Islam, this can be proven by the functions of money in Islam²⁶ money is in electronic money. Namely, electronic money is specifically functioned as a medium of trade transactions both goods and services and electronic money is not a medium to hoard wealth. This can be clarified by the limitation of the value of money in relatively small electronic media. Because its function is not as savings (hoarding wealth), so that electronic money is not guaranteed by the Deposit Insurance

²³ Bank Indonesia(2014) Peraturan bank Indonesia nomor 11 tahun 2014 tentang Uang Elektronik, Jakarta , Indonesia, Bank Indonesia

²⁴Mumtaz, A.A. (2015) Uang Elektronik dalam Perspektif Syariah. Sumber https://www.kompasiana.com/mumtazamin/uang-elektronik-dalam-perspektif-syariah_5580ffd1e022bd03320e7771

²⁵ Bank Indonesia(2014) Peraturan bank Indonesia nomor 11 tahun 2014 tentang Uang Elektronik, Jakarta , Indonesia, Bank Indonesia.

²⁶ Nasution, M.E., Setyanto, B. Huda, N., Mufraini, M.A, & Utama, B.S. (2007), *Pengenalan Ekonomi Islam*, Jakarta, Indonesia: Kencana Prenada Media Group, p. 248.

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Corporation (LPS)²⁷ With the above statement we can know that the function of money, especially the function of money in Islam, is in electronic money which has a function as a standard measure of price, and as a medium of exchange (means of payment). Electronic money as a standard measure of price can be proven by a reduction in the value of electronic money if it is used for transactions then with a reduction in value, the standard measure of the price of a product can be known. Whereas the function of money as a medium of exchange can be proven by the function of electronic money itself, as mentioned in the definition of electronic money, there is a Bank Indonesia Regulation Number 16/8 / BPI / 2014 concerning changes to Bank Indonesia Regulation Number 11/12 / PBI / 2009 concerning Electronic Money (E-Money) Article 1 paragraph (3). Thus, with the existence of these functions in electronic money it is in accordance with the concept of money in Islam.

Third, not causing excessive expenditure, this can be proven by the existence of a maximum limit on the value of electronic money. The maximum value of electronic money is five million Rupiah for registered types of electronic money, while for unregistered electronic money the maximum is one million *Rupiah*²⁸ the existence of a relatively small limit on the value of electronic money will not encourage the public (holders) to be consumptive (excessive expenditure) and minimize losses from misuse of electronic money.

Legal Use of Electronic Money in Indonesia

Indonesia is not an Islamic country even though some of its population embraces Islam. The basis of the Indonesian state is Pancasila, Indonesia itself recognizes various existing religions such as Islam, Christianity, Buddhism and others. But the law regarding the recognition of the existence of E-money is in law. The Law governing E-Money is clear in the Indonesian Banking regulations clearly stated in

1. Law No. 19 2016 concerning Information and Electronic Transactions CHAPTER V Article 17-22
2. Law no. 18 / PBI / 2014 concerning Electronic Money
3. BI Regulation no 16 / PBI / 2014 Consumer Protection of Payment System Services

²⁷ Bank Indonesia. (2009b). *Bank Indonesia Circular Letter Number 11/11 / DASP About Electronic Money*. Jakarta, Indonesia: Bank Indonesia

²⁸ Ibid

4. Circular Letter of BI No. 16 / II of 2014 DKSP concerning the Implementation of Electronic Money

5. Circular Letter of BI No. 16 / II of 2014 DKSP concerning Implementation and Payment of Consumer Services in Indonesia²⁹.

Bank Indonesia Regulation Number 11/12 / PBI / 2009 concerning Electronic Money (Electronic Money), where electronic money is a payment instrument that fulfills the following elements³⁰:

1. Published on the basis of the value of money deposited in advance by the holder to the issuer.
2. The value of money is stored electronically in a media such as a server or chip.
3. Used as a means of payment to traders who are not publishers of electronic money.
4. The value of money deposited by the holder and managed by the issuer is not a deposit as referred to in the law regulate banking.

Apart from that, it is during the Industrial 4.0 revolution. This toll road also uses e-money cards in the transaction. Made (2017) in his article explained that e-money is legal and legal as payment for toll roads. This is also confirmed by the Minister of Public Works and Public Housing Regulation Number 16 / PRT / M / 2017 concerning Non-Cash Toll Transactions on Toll Roads, which in Article 6 paragraph (2) said that "At the time of the application of Non-Toll Transactions full cash as referred to in paragraph (1) letter a is applied, all toll roads do not accept cash transactions³¹.

This is confirmed by the statement of the Chairperson of the Indonesian Law College of Lantern in the article "End the Polemic on the Use of Electronic Money", namely Mr. Yunus Husein. He stated that the use of electronic money as the only means of payment when entering the expressway (toll road) is not a violation of the provisions of the Currency Act, because what happened was not the refusal of the rupiah, but transactions on the toll road

²⁹ Nur, Linda Khasanah. 2018. *Legal Position of Electronic Money (E-Money) in Conducting Non-Cash Payment Transactions*. Skripsi. UIN Maulana Malik Ibrahim, p 56

³⁰ Nyoman, Ni Anita Candrawari. 2018. *Legal Protection for E-money Card Holders as Payment Instruments in Commercial Transactions*. Magister Ilmu Hukum Universitas Udayana, p. 2

³¹ Made, I Dewa dan Made Nurmawati. 2017. *E-Money Legality As A Tool Legitimate Payments Enter the Freeway*. Fakultas Hukum Universitas Udayana p. 10-11

using rupiah technically in the form of electronic money in the form of cards, not in the form of cash (kartal). Bank Indonesia Interprets the meaning of money in a Currency Act with broad interpretation in a generic form which in English is called a currency. Currency other than its form can be in the form of cash, but it can also be in the form of unified money.

Impact of Using E-Money

Bank Indonesia Regulation Number 10/16/PBI/2008, concerning Amendments to Bank Indonesia Regulation Number 9/19/PBI/2007 Concerning the Implementation of Sharia Principles in Activities for Collecting Funds and Funds Distribution and Sharia Bank Services Providing that fulfilling three elements namely compliance with Sharia (Halal), useful and providing benefits (thoyib), and does not cause harm³². As for the benefits in electronic money (E-Money), it can be seen from the advantages of electronic money (E-Money) which gives a positive impact as follows:

1. Transactions are faster and without having to go through a time-consuming process and can be used offline.
2. Transactions with e-money are relatively easier than other devices. It would be better if it was integrated between card issuing agents, cards, applications and websites that could be accessed online to facilitate users.
3. Efficiency, e-money transactions provide convenience, speed and convenience, users do not need to carry cash and additionally, using electronic money errors in calculating returns from a transaction will not occur³³.

This proves that the use of electronic money can minimize and even eliminate the consequences of the use of cash.

Conclusions

Based on the explanation from the above research it can be concluded:

³² Bank Indonesia. (2009a). *Explanation Of Bank Indonesia Regulation Number 11/12 / PBI / 2009 Concerning Electronic Money*. Jakarta, Indonesia: Bank Indonesi, p. 2

³³ Hidayati, S., Nuryanti, I., Firmansyah, A., Fadly, A., & Darmawan, I. Y. (2006). *Operational of E-money*. Jakarta, Indonesia: Bank Indonesia

website:<http://jurnal.radenfatah.ac.id/index.php/ieconomics>

First, based on the Syafei Electronic Money School does not contain MAGHRIB (Maisyir, Gharar, Riba) goods that are traded clearly and do not contain things that are illegal and in the transaction does not contain fraud.

Second, the relatively small limit on the value of electronic money will not encourage the public (holders) to be consumptive (excessive expenditure) and minimize losses from misuse of electronic money in accordance with the regulations of Bank Indonesia. It is registered electronic money types, while unregistered electronic money is at most one million Rupiah³⁴. The three advantages of electronic money (E-Money) provide benefits to its users in maintaining the assets they obtain without breaking the boundaries in sharia activities seen from the fulfillment of the elements of benefit (Maslahah) namely compliance with Sharia (Halal), useful and giving benefits (thoyib), and does not cause harm.³⁵

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³⁴ Bank Indonesia. (2009b). *Bank Indonesia Circular Letter Number 11/11 / DASP about electronic money*. Jakarta, Indonesia: Bank Indonesia, p 8

³⁵ Bank Indonesia. (2009b). *Bank Indonesia Circular Letter Number 11/11 / DASP about electronic money*. Jakarta, Indonesia: Bank Indonesia, p 2

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