

## The Evolution And Reconstruction Of The Concept Of Money In Islamic Economics: A Comparative Analysis Of The Dinar-Dirham Towards The Era Of Digital Society 5.0

M Rahul Firmansyah<sup>1</sup>, Khusnudin<sup>2</sup>

<sup>1,2</sup> Universitas Islam Negeri Maulana Malik Ibrahim, Malang, Indonesia

\*Corresponding author: [250504220003@student.uin-malang.ac.id](mailto:250504220003@student.uin-malang.ac.id)

**Abstrak:** Transformasi sistem pembayaran dari fisik ke digital memunculkan pertanyaan kritis mengenai kesesuaian sarana pertukaran modern dengan prinsip uang dalam ekonomi Islam. Kesenjangan dalam studi ini terletak pada belum adanya analisis komparatif mengenai kemudahan transaksi lintas batas antara dinar-dirham, uang fiat, dan uang digital dari perspektif syariah. Penelitian ini bertujuan merekonstruksi konsep uang Islam melalui analisis komparatif evolusi instrumen pembayaran dari era klasik hingga Society 5.0. Metode yang digunakan adalah tinjauan literatur sekunder dengan pendekatan deskriptif-analitis dan komparatif-historis, yang menyintesis artikel-artikel ulasan bertema moneter Islam, uang digital Islam, dan transaksi lintas batas. Hasil sintesis menegaskan bahwa legalitas uang terletak pada fungsi *tsamaniyah* dan *wasithah*, bukan pada material fisiknya; pandangan moderat yang menerima fleksibilitas bentuk uang lebih didukung oleh kaidah fikih. Perbandingan terhadap 10 variabel menempatkan *Triple-Layered Digital Gold Standard* (TLDGS) sebagai sintesis unggul yang memadukan stabilitas emas, efisiensi transaksi digital, dan kepatuhan syariah. TLDGS mengatasi kelemahan dinar fisik yang mahal dan lambat, serta uang fiat yang rentan terhadap inflasi. Studi kasus Kelantan Gold Dinar, e-Dinar Kuwait, dan QRIS Syariah Indonesia mengonfirmasi bahwa keberhasilan implementasi memerlukan dukungan regulasi dan infrastruktur; QRIS Syariah tercatat tumbuh 200% per tahun. Di era Society 5.0, model ini memfasilitasi integrasi ZISWAF dan perdagangan halal lintas batas yang sejalan dengan maqashid syariah. Dengan demikian, rekonstruksi konsep uang menuju standar emas digital menyintesis stabilitas Islam klasik dengan efisiensi transaksi modern, serta memberikan implikasi kebijakan bagi bank sentral negara-negara anggota OKI.

**Kata Kunci:** Dinar-dirham; Konsep uang Islam; Society 5.0; Triple-Layered Digital Gold Standard; Uang digital syariah.

**Abstract:** The transformation of the payment system from physical to digital raises critical questions about the suitability of modern means of exchange with the principle of money in the Islamic economy. The gap in the study lies in the absence of a comparative analysis of the ease of cross-border transactions between dinar-dirham, fiat money, and digital money from a sharia perspective. This research aims to reconstruct the concept of Islamic money through a comparative analysis of the evolution of payment instruments from the classical era to Society 5.0. The method used is secondary literature review with a descriptive-analytical and comparative-historical approach, synthesizing review articles with the theme of Islamic monetary, Islamic digital money, and cross-border transactions. The results of the synthesis confirm that the legality of money rests on the function of *tsamaniyah* and *wasithah*, not its physical material; a moderate view that accepts the flexibility of the form of money is more supported by the rules of fiqh. The comparison of 10 variables places the *Triple-Layered Digital Gold Standard* (TLDGS) as a superior synthesis that combines gold stability, digital transaction efficiency, and sharia compliance. TLDGS addresses the weakness of expensive and slow physical dinars, as well as inflation-sensitive fiat money. The case studies of Kelantan Gold Dinar, e-Dinar Kuwait, and QRIS Syariah Indonesia confirm that successful implementation requires regulatory and infrastructure support; QRIS Syariah grows 200% per year. In the era of Society 5.0, this model facilitates the integration of ZISWAF and cross-border halal trade in line with the sharia maqashid. Thus, the reconstruction of the concept of money towards the digital gold standard synthesizes classical Islamic stability with modern transaction efficiency, providing policy implications for the central banks of OIC countries.

**Keywords:** Dinar-dirham; The concept of Islamic money; Society 5.0; Triple-Layered Digital Gold Standard; Sharia digital money.

### Introduction

The transformation of the payment system is one of the most significant changes in the

global economic system today (Maharani et al., 2024). Technological advances are driving financial digitalization, where traditional physical-based payment systems are beginning to be replaced by digital payment systems (*cashless*) which is faster and more efficient. This phenomenon occurs not only in developed countries but also in developing countries, triggered by the penetration of internet infrastructure, the development of *Smartphone*, and technology-based financial innovation (Hazar, 2023). In Indonesia, the volume of digital money transactions shows significant growth. Financial transactions through digital wallets such as ShopeePay, Dana, instant transfers, and QRIS-based payments are slowly replacing the role of cash. Bank Indonesia noted that QRIS has reached 57 million users in Q1 2025, with transactions reaching Rp579 trillion, of which 93.16% are MSMEs (Indonesia, 2025). This phenomenon shows that money is not always physically present, but has evolved into a representation of value in a digital system. In the perspective of Islamic economics, money has a specific position and is different from the conventional view. Islam views money as an instrument that facilitates the economic activities of the community with the aim of maintaining fairness in transactions (Chapra, 2008). Imam Al-Ghazali and Ibn Khaldun emphasized that the function of money is as a standard for determining the value of goods accurately which is widely recognized (Ritonga & Syahpawi, 2025). Classical literature notes that in the history of Islamic civilization, the monetary system used precious metals in the form of dinar and dirham as the standard of value [5]. The principles emphasized are *tsamaniyah* (a value measuring tool) and *wasithah* (medium of exchange) that maintains smooth economic activities and creates justice (Rahmawati et al., 2025).

Money in Islam is not a commodity that has value in itself, but purely as a means of intermediary transactions that must continue to revolve in the real sector (Sundari et al., 2022). Imam Al-Ghazali emphasized that money was created to facilitate exchange, so that humans do not need to revert to an inefficient barter system (Sundari et al., 2022). Money as a medium of exchange must continue to circulate in economic activities, not be hoarded just for personal satisfaction. Hoarding of money/property (*Conclusion*) is strictly forbidden in Islam because it has the potential to cause hampered economic activities and an equitable distribution of wealth. Islamic economics also rejects various deviant practices that make money a commodity that can be traded (Yunus et al., 2024). The deviation of the function of money from a medium of exchange to a commodity creates a tendency for the practice of *usury* (Bordo, 2024; Ritonga & Syahpawi, 2025). Riba arises when money is treated as an item that can be increased without any underlying risk in the real sector. This action is a form of destruction of economic justice because capital owners get certain profits without the need to bear the risk of loss. Thus, the prohibition of riba in Islam can be understood as an effort to keep money functioning in the real sector and productive economic activities, not exploitative.

Although many studies have discussed the evolution of money in Islamic economics, there

is still a gap (*Gap*) in three main aspects. *First*, there have been no comprehensive studies comparing the ease of transactions (*ease of transaction*) between the dinar-dirham, fiat money, and digital money systems from the perspective of cost efficiency, time, and sharia compliance. *Second*, the existing literature has not explicitly addressed what is the easiest and most flexible medium of exchange for cross-border transactions (*cross-border payments*) which is in accordance with the principle of muamalah. *Third*, although standardization of gold and silver is often mentioned, there is no operational solution on how to integrate these standards with modern digital systems without sacrificing ease of transactions. This research aims to fill this gap by offering an adaptive reconstruction of the concept of money but still adhering to the principle *tsamaniyah* and protection of property (*Hifdz al-mal*). In Islamic economics, money has two main functions. *First*, *astamaniyah* (a value measuring tool), which is a standard to determine the price of goods and services fairly. Without a standard size, transactions will revert to an inefficient barter system (Sundari et al., 2022). *Second*, *aswasithah* (medium of exchange), which facilitates exchange without having to move the intrinsic value of the commodity itself. In the context of transactions between countries, this function is crucial because the differences in currencies, regulations, and payment systems between countries create their own complexities.

In international practice, several types of exchange instruments are used for transactions across countries. Dinar and dirham, based on gold and silver, were widely used during the classical Islamic period and continue to be advocated by some contemporary economists. One dinar is equivalent to 4.25 grams of pure gold, while one dirham is equivalent to 2.975 grams of pure silver (DSN-MUI, 2017). Their main advantage is their intrinsic value, relative stability, and historical acceptance across the Islamic world. However, their use in modern international transactions is constrained by the high costs of physical transportation and relatively slow transaction processes.

Fiat money, including the US dollar, euro, yen, and rupiah, derives its value primarily from public confidence and state authority rather than physical commodities (Salsabil et al., 2025). The US dollar remains dominant in global foreign exchange transactions. Its major advantages are its portability, scalability, and broad international acceptance. Nevertheless, fiat currencies are vulnerable to inflation and, from an Islamic economic perspective, concerns related to interest-based financial practices.

Digital money and e-money, including digital wallet balances, electronic bank cards, and central bank digital currencies (CBDCs), provide faster and more efficient transactions, including the potential for low-cost cross-border payments (Hazar, 2023). One example is cross-border QRIS, which connects Indonesia with countries such as Thailand, Malaysia, and Singapore. Cryptocurrency, including Bitcoin, Ethereum, and USDT, uses blockchain-based technology and, in some cases, decentralized systems. However, its broader use as an international medium of exchange remains constrained by high price volatility and differing views regarding its Sharia

compliance. In Indonesia, the Sharia status of cryptocurrencies remains debated, with some scholars raising concerns about *gharar*, while other scholars consider certain asset-backed or gold-backed digital currencies potentially permissible (Batcha & Ramli, 2026).

Based on a review of the literature and global practices, several means of exchange can facilitate cross-border transactions, including physical gold dinars, fiat currencies, digital fiat transfers, e-money, international QRIS, and cryptocurrencies such as stablecoins. Physical gold dinars offer intrinsic value but are less convenient because they require physical delivery, involve higher logistics and insurance costs, and have limited global acceptance. Fiat currencies, particularly the US dollar, have much wider international acceptance, while digital transfers through banking systems offer greater convenience but may involve relatively high transaction fees and processing times. E-money and international QR-based payments provide faster and more affordable transactions through digital wallets and mobile devices. Stablecoins such as USDT also offer fast and relatively low-cost transactions through digital wallets, although their Sharia compliance remains debated due to concerns regarding the transparency of their asset backing and the potential presence of *riba* (AAOIFI, 2023).

Despite the convenience offered by modern digital payment instruments, classical and contemporary Islamic economic literature continues to regard gold and silver as important standards of value because of their intrinsic value and relative stability (Chapra, 2008; IsDB, 2024). Gold has historically been accepted across different civilizations and is considered relatively resistant to monetary depreciation. However, adopting a rigid gold standard also presents several challenges, including the costs and risks of physical transportation and storage, the possibility of structural deflation, unequal access to gold reserves among countries, and limited flexibility in monetary policy during economic crises.

To address these limitations, this research proposes a digital gold-silver standard that combines the intrinsic value of precious metals with the efficiency of digital payment technology. Under this model, each digital currency unit, such as one e-dinar, would be backed by a specified amount of physical gold stored in a certified depository institution. Transactions could be conducted digitally through blockchain technology or payment systems such as QRIS, while holders would retain the option to convert their digital holdings into physical gold through designated institutions. The system would also require appropriate Sharia supervision to ensure transparency of asset backing, ownership, purity, and compliance with the prohibition of *riba*. The exchange rate of e-dinar against fiat currencies could follow the market price of gold, while transactions among e-dinar users would maintain a fixed weight standard, such as one e-dinar equivalent to 4.25 grams of gold.

The digitalization of gold has been explored on a limited basis through initiatives associated with Islamic finance in Malaysia and the United Arab Emirates. This model potentially combines the

stability and intrinsic value of gold with the speed, accessibility, and efficiency of digital transactions. However, claims regarding its success in reducing value volatility and increasing public confidence should be supported by appropriate empirical evidence and consistent references, particularly because the sources cited in the original discussion contain inconsistencies regarding the year of Amalia's research.

## **Method**

This study employs a qualitative approach using a secondary literature review with a descriptive-analytical and comparative-historical design. The study aims to reconstruct the concept of money in Islamic economics through a critical synthesis of review articles that examine the development of monetary thought and practices from the classical era to the Society 5.0 era. This design was selected to obtain a comprehensive and conceptually grounded understanding based on findings synthesized by previous researchers, without relying on primary data (Fadli, 2021; Sugiyono, 2023). The primary data sources consist of journal articles in the form of literature reviews, systematic reviews, critical reviews, and meta-syntheses that specifically discuss themes related to money in Islamic economics. The literature covers historical and conceptual discussions of monetary thought, from the ideas of Al-Ghazali and Ibn Khaldun to contemporary critiques of fiat money, as well as contemporary issues concerning Islamic digital money, gold-backed cryptocurrencies, and cross-border payment systems. Studies such as Meera and Larbani (2017), Hassan et al. (2020), and Sukmana and Hidayat (2022) are used as examples of relevant literature. To strengthen the analysis, tertiary sources, including fatwas and policy documents issued by DSN-MUI, AAOIFI, and Bank Indonesia, are also incorporated to provide additional regulatory and institutional context. Data collection was conducted through a structured documentation process using Scopus, Web of Science, Google Scholar, and Garuda databases. The literature search employed combinations of keywords such as "review" AND ("Islamic money" OR "gold dinar" OR "Islamic digital currency" OR "sharia e-money") and was limited primarily to review articles and literature reviews published between 2017 and 2026. The retrieved studies were screened based on the relevance of their titles and abstracts to the reconstruction of the concept of Islamic money. Articles were considered relevant when they employed a literature-based approach and addressed at least one of the major themes, namely Islamic monetary history, the Sharia status of banknotes, dinar and dirham, Sharia-compliant digital money, or cross-border transactions. Relevant information was then extracted from the selected studies, including the focus of the review, databases and periods covered, major synthesized findings, and identified research gaps. The extracted information was organized into a thematic map to facilitate further synthesis. Data analysis employed thematic synthesis, in which findings from the selected review articles were coded according to major themes, including the concept of Islamic money, monetary history,

criticism of fiat money, the Sharia status of digital money, currency comparisons, and gold-silver standardization. The coded findings were subsequently synthesized through comparative narratives and an inter-review comparison matrix to identify similarities, differences, and recurring patterns across the literature. The emerging patterns were critically interpreted within the framework of maqashid al-Sharia, while verification was conducted through triangulation of secondary sources by comparing findings from different review articles for major claims where sufficient literature was available. The comparative approach was maintained by examining three monetary systems, namely dinar, fiat money, and e-money, across ten predetermined variables. However, this comparison was based entirely on evidence synthesized from the selected review literature. Therefore, the resulting conclusions represent a meta-synthesis of existing studies rather than an analysis derived from primary empirical data.

## **Results and Discussion**

### **Islamic Economic Views on Fiat Money and Digital Money**

Based on an analysis of 25 articles that discuss the status of fiat money and digital money, two main currents of views were found. The first (conservative) current states that fiat money and digital money without gold backing are vulnerable to inflation, *Gharar*, and usury. They refer to the hadith about *riba al-fadl* in the exchange of gold, silver, wheat, etc., which indicates the need for intrinsic value (Hasbi, 2020). The second (moderate) current states that the form of money can change over time as long as its basic function as a fair medium of exchange is met. DSN-MUI Fatwa No. 116/2017 explicitly allows Islamic electronic money on the condition that: (a) it does not contain usury; (b) transparent; (c) have a clear underlying asset; (d) supervised by DSN-MUI (DSN-MUI, 2017).

This difference in views is rooted in the interpretation of the text (*nash*) whether it is *'illah* (legal cause) which can be analogous or *ta'abbudi* (ritual worship that cannot be changed). Conservative opinion tends to view the use of gold and silver as *a permanent 'illah*, while moderate opinion sees that *'illah* is actually the realization of justice and stability, not the precious metal itself. This research supports the moderate opinion with the argument that even in the time of the Companions, there were *suftajah* and *hawalah instruments* which were a form of non-physical money [16]. This flexibility is strengthened by the fiqh rule "*al-ashlu fil mu'amalah al-ibahah hatta yadulla dalilu 'ala tahrimiha*" (the law of origin of muamalah is permissible until there is evidence that prohibits it). Because there is no evidence that explicitly prohibits banknotes or digital money, both are allowed.

### **The Challenges of Fiat Money Systems and Digital Money: An In-Depth Analysis**

The study identifies three main challenges associated with fiat systems and digital money, namely monetary, technical, and regulatory challenges. The first challenge concerns monetary

issues related to seigniorage and inflation. Historical evidence indicates that countries implementing aggressive money-printing policies have experienced severe inflation, including Zimbabwe in 2008, with an inflation rate of 79.6 billion percent, and Venezuela in 2018, with approximately 1.3 million percent inflation. Under a fiat monetary system, central banks have the capacity to expand the money supply extensively, creating what can be viewed as an unfair seigniorage advantage because the issuing authority benefits from money creation while society may bear the subsequent costs through inflation [9]. In contrast, under a dinar-based system, the production cost of coins is relatively close to their face value, resulting in comparatively minimal seigniorage.

The second challenge is technical in nature and concerns digital gharar and cybersecurity. The complexity of encryption mechanisms and smart contracts may create uncertainty or gharar for ordinary users who do not fully understand how digital financial systems operate. The research cited in the study reports that 67% of e-money users do not understand how their data and balances are protected [1]. In addition, cybersecurity incidents, such as the 2019 Cryptopia platform hack that reportedly resulted in losses of approximately \$16 million, demonstrate the potential risks associated with digital financial platforms. From a fiqh perspective, transactions containing excessive uncertainty or gharar fasid may affect the validity of the underlying contract.

The third challenge involves regulatory differences between countries. Cross-border transactions using digital money are subject to varying regulations concerning anti-money laundering (AML), taxation, and Sharia compliance. Differences in the legal treatment of cryptocurrencies across jurisdictions can create uncertainty for users and financial institutions involved in international transactions. Therefore, addressing these challenges requires a multidimensional approach. Seigniorage and inflation risks may be mitigated through binding fiscal or monetary rules, including mechanisms such as partial gold backing. To address digital gharar, greater transparency is required through standards that encourage Sharia-compliant digital financial providers to provide clear and accessible disclosures regarding their mechanisms, risks, and asset protection, together with appropriate security measures and Sharia-compliant insurance (*takaful*). Meanwhile, regulatory uncertainty can be reduced through greater harmonization and international cooperation, including collaboration through institutions such as the Islamic Financial Services Board (IFSB).

### **Reconstruction of the Concept of Money in Islamic Economics: The Triple-Layered Digital Gold Standard Model**

Based on the synthesis of findings, this study reconstructs the concept of money by offering a *Triple-Layered Digital Gold Standard* (TLDGS) model. This model has three layers: Layer 1 (Layer of Value): Each unit of digital money (1 e-dinar = 4.25 grams of pure gold; 1 e-dirham = 2,975 grams of pure silver) is fully backed by a physical reserve of gold/silver held in *a certified custodian* (Islamic bank, precious metals institution, or central bank). Reserves are regularly audited by

independent sharia auditors. Layer 2 (Layer of Transaction): Transactions are conducted through an open digital infrastructure (blockchain or a centralized supervised system) with low fees, high speeds, and cross-border reach. Every transaction is permanently recorded and transparent. Smart *contract technology* is used to automate muamalah contracts (buying and selling, renting, profit sharing) without usury. Layer 3 (Layer of Governance): Monetary authorities (ideally a combination of the central banks of OIC countries or institutions such as the IsDB) set monetary policy based on sharia principles: (a) no money printing without *gold backing*; (b) prohibition of interest (usury); (c) linkages with the real sector; (d) tiered sharia supervision (national and international).

The TLDGS model addresses the weaknesses of each system. Compared to physical dinar, TLDGS is easier and cheaper to transact. Compared to fiat, TLDGS has value stability due to gold backing. Compared to conventional e-money, TLDGS has sharia certainty because it is supervised and free of usury. Compared to cryptocurrencies (Bitcoin), TLDGS has a backing of physical assets so that it is not volatile and does not contain *Gharar* excessive. The implementation of this model has been tested on a limited basis by OneGram (a gold-based cryptocurrency launched in the UAE, 2017-2020) and GoldMint (a blockchain-based platform with gold reserves). Ailia's study (2024) shows that gold-based stablecoins have 80% lower volatility than Bitcoin (Aulia, 2024).

### **Integration of Digital Money with Islamic Economic Principles in the Era of Society 5.0**

The era of Society 5.0 is characterized by the integration of cyber-physical systems, the Internet of Things (IoT), Big Data, and artificial intelligence (AI). In this context, Islamic digital money can be integrated into three main domains: digital philanthropy (ZISWAF), Sharia-inclusive finance, and halal cross-border transactions. In digital philanthropy, the implementation of QRIS has supported the growth of online zakat collection, while blockchain technology can enhance transparency by enabling the tracking of zakat funds from donors to beneficiaries, thereby increasing accountability and public trust. Digital money also has the potential to promote Sharia-inclusive finance by expanding access to financial services for underserved populations. In Indonesia, Sharia-based digital financial platforms such as Ammana and ALAMI provide financing for MSMEs, while the use of QRIS among small traders and community institutions demonstrates the potential of digital payments to support financial inclusion (Fahrizal et al., 2024). Furthermore, Islamic digital money can facilitate halal cross-border transactions in sectors such as food, pharmaceuticals, cosmetics, tourism, and modest fashion. Through the proposed TLDGS system, transactions among Muslim-majority countries could potentially be conducted more efficiently by reducing reliance on currency conversion and lowering transaction costs and processing times.

The integration of Islamic digital money with Society 5.0 is consistent with the objectives of maqashid al-Sharia. The principle of *hifz al-mal* (protection of wealth) can be supported through blockchain security and gold backing, while *hifz al-'aql* (protection of intellect) can be promoted through transparency and mechanisms that reduce *gharar*. The principles of *hifz al-nas* (protection

of lineage), *hifz al-nafs* (protection of life), and *hifz al-din* (protection of religion) can likewise be reflected through measures that prevent illicit financing and ensure Sharia compliance. Nevertheless, the implementation of Islamic digital money continues to face challenges, particularly the digital divide between urban and rural communities, limited Islamic financial literacy, and resistance from groups that question the legitimacy of digital money from a Sharia perspective.

**In-Depth Comparative Analysis: Implementation Case Studies**

To reinforce the findings, this study analyzes three case studies of the implementation of alternative money in the Islamic world:

Case 1: Kelantan Gold Dinar (Malaysia, 2010-2015) — The Kelantan state government launched the gold dinar coin as legal tender (along with the ringgit). Results: limited acceptance, especially in pesantren communities and certain markets. Constraints: lack of infrastructure, lack of support from Malaysia's central bank, and high transaction costs. This case shows that the physical dinar is difficult to compete with fiat money in efficiency (Othman & Alhabshi, 2012).

Case 2: Kuwaiti e-Dinar (2019-present) — A private initiative to create a gold-based digital currency using blockchain. Each e-dinar is backed by gold stored in Kuwaiti vaults. The result: low volatility, fast transactions, but adoption is still limited due to unclear regulations. This case shows the potential of TLDGS (Al-Rashidi, 2021).

Case 3: Sharia QRIS in Indonesia (2021-present) — Bank Indonesia and DSN-MUI launched the Sharia QRIS guideline which requires merchants not to sell haram products, and usury-free transactions. Results: Growth Sharia QRIS transactions reach 200% per year [3]. This case shows that Islamic digital money can be implemented successfully if it is supported by regulations and infrastructure (Hariyanto & Anam, 2023).

**Table 1. Implementation Case Study Summary**

| Case                | Location  | Type                | Year         | Success              | Challenge                                |
|---------------------|-----------|---------------------|--------------|----------------------|------------------------------------------|
| Kelantan Gold Dinar | Malaysia  | Physical dinar      | 2010-2015    | Limited              | High costs, without central bank support |
| e-Dinar Kuwait      | Kuwait    | Digital gold-backed | 2019-present | Stable, fast         | Regulations are not yet clear            |
| QRIS Shariah        | Indonesia | Sharia e-money      | 2021-present | Tinggi (200% growth) | Literasi, digital divide                 |

**Policy and Practical Implications**

Based on the reconstruction and findings, this study formulates several policy implications for key stakeholders. For central banks and monetary authorities, including Bank Indonesia, OJK, and the central banks of OIC member countries, consideration could be given to the issuance of a digital gold-backed currency (DGBC) as an additional legal tender alongside fiat money, particularly for international transactions. Such a system could be supported by a minimum gold-reserve

requirement for each unit of Islamic digital money, for example, 50% backing to provide a balance between monetary flexibility and value stability. Cross-border cooperation should also be strengthened to harmonize regulations governing Sharia-compliant digital money, including through institutions such as the Islamic Financial Services Board (IFSB).

For Sharia authorities such as DSN-MUI and AAOIFI, more detailed fatwas or standards are needed concerning the implementation of a digital gold standard, particularly regarding asset custody, independent auditing, and mechanisms for converting digital holdings into physical gold. Sharia supervision could also be strengthened through real-time monitoring mechanisms supported by smart-contract technology, including safeguards against transactions that violate established Sharia requirements.

For Sharia fintech providers, the development of gold-backed digital wallet products could provide users with the ability to purchase, store, and transfer value in e-dinar or e-dirham denominations. These services should also incorporate appropriate Sharia-compliant risk management, including *takaful*, to provide protection against potential cyber risks. Meanwhile, communities and users should be encouraged to improve their understanding of the differences between fiat money, conventional digital money, and gold-backed digital money through educational programs in mosques, Islamic boarding schools, and universities. The convenience of digital payment systems can also be utilized to facilitate zakat, infaq, sadaqah, and waqf through official platforms operating under appropriate Sharia supervision.

### **Research Limitations and Future Agendas**

This study has several limitations: (1) the pure literature study approach, which does not include empirical data such as user perception surveys or field trials of the TLDGS model; (2) focusing on conceptual-philosophical aspects, not touching the technical aspects of *smart contract* implementation or the choice of *consensus algorithm* that is most in accordance with sharia; (3) has not analyzed in depth the taxation and accounting aspects of *digital gold-backed currency*; (4) the case studies analyzed were limited to three implementations, not yet covering more recent ones such as sharia CBDCs from Iran or Pakistan.

Further research should explore the proposed TLDGS model from both microeconomic and technical perspectives. Quantitative research could be conducted to measure public preferences between e-dinar and fiat-based e-money using the *discrete choice experiment* method. In addition, future studies could develop a technical prototype of a Sharia-compliant blockchain for the digital gold standard and evaluate its transaction speed, cost, and security. At the macroeconomic level, further research could examine the potential effects of TLDGS adoption on inflation, exchange rates, and economic growth in Muslim-majority countries using a *system dynamics* model.

### **Conclusion**

This study concludes that the evolution of payment instruments from the era of dinar-

dirhams to digital money is a manifestation of the flexibility of Islamic law in responding to the times without leaving the substance of justice. The reconstruction of the concept of money emphasizes that the legality of a currency is not tied to the physical material of its former, but rather to functional integrity as a widely recognized standard of value and capable of maintaining economic stability. Money in Islam functions as a *tsamaniyah* (a means of measuring value) and *wasithah* (a medium of exchange), not a commodity. This study found that although there are different types of exchange, standardization of gold and silver remains relevant as a guarantee of stability, but must be integrated with digital flexibility through the *Triple-Layered Digital Gold Standard* (TLDGS) model that offers: (1) physical gold reserves; (2) fast digital transactions; (3) Sharia governance. This model addresses the weaknesses of each system: the stability of the dinar, the efficiency of e-money, and sharia compliance.

Digital transformation that is optimally utilized can increase the economic acceleration of the real sector and Islamic philanthropy (ZISWAF). The integration of digital money in the era of Society 5.0 must be seen as a strategy to increase the benefit of the people. Challenges in the form of *seigniorage*, inflation, and digital security risks demand stricter and more transparent sharia supervision. The limitations of research (focus of the literature, not yet empirical) open up opportunities for further research to conduct empirical studies, develop technical prototypes, and analyze macroeconomic policies. Practical advice for policymakers: formulate cybersecurity standards that are in line with the fiqh of muamalah, and build international cooperation for the harmonization of gold-based Islamic digital money.

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