

ANALYSIS OF THE LEGALITY OF THE ONLINE FOREX BUSINESS IN THE PERSPECTIVE OF SHARIA ECONOMICS AND FINANCE

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Abstract

*The rapid development of information technology has significantly transformed the financial sector, particularly in digital-based investment activities such as online forex trading. This study aims to analyze the legality of online forex transactions from the perspective of Islamic economics and finance. Employing a qualitative approach through a literature review, the study is structured into five main areas: online forex trading in Islamic economics and finance, its legality in conventional systems and national regulations, its legal status from an Islamic perspective, development solutions, and the opportunities and challenges involved. Online forex trading refers to the exchange of currencies conducted digitally without physical delivery, typically within futures markets. From the standpoint of Islamic economics and finance, such practices raise critical concerns regarding compliance with Sharia principles, particularly due to the potential presence of *riba* (usury), *gharar* (uncertainty), and *maisir* (speculation). These elements are often embedded in high-risk and speculative trading mechanisms, which contradict the core values of justice, transparency, and permissibility (*halal*). Therefore, while online forex trading may be legally recognized in conventional financial systems, its Sharia compliance remains questionable. Strengthening regulatory frameworks aligned with Islamic principles, enhancing public literacy in Islamic finance, and developing Sharia-compliant trading platforms are essential steps. Continuous supervision and innovation are also necessary to ensure that such financial activities are not only legally valid but also ethically and religiously acceptable.*

Keywords: *Legalitas, Forex Online Trading, Economy, Finance, Sharia.*

Abstrak

Perkembangan pesat teknologi informasi telah membawa transformasi yang signifikan pada sektor keuangan, khususnya dalam aktivitas investasi berbasis digital seperti perdagangan forex online. Penelitian ini bertujuan untuk menganalisis legalitas transaksi *forex online* dari perspektif ekonomi dan keuangan Islam. Dengan menggunakan pendekatan kualitatif melalui kajian pustaka, penelitian ini disusun ke dalam lima fokus utama, yaitu: perdagangan forex online dalam ekonomi dan keuangan Islam, legalitasnya dalam sistem konvensional dan regulasi nasional, status hukumnya dari perspektif Islam, solusi pengembangan, serta peluang dan tantangan yang terlibat. Perdagangan forex online merujuk pada pertukaran mata uang yang dilakukan secara digital tanpa penyerahan fisik, yang umumnya berlangsung dalam pasar berjangka (*futures market*). Dari sudut pandang ekonomi dan keuangan Islam, praktik ini menimbulkan perhatian serius terkait kepatuhan terhadap prinsip-prinsip syariah, terutama karena potensi adanya unsur *riba*, *gharar* (ketidakpastian), dan *maisir* (spekulasi/judi). Unsur-unsur tersebut sering melekat pada mekanisme perdagangan yang berisiko tinggi dan bersifat spekulatif, sehingga bertentangan dengan nilai-nilai dasar keadilan, transparansi, dan kehalalan. Oleh karena itu, meskipun perdagangan *forex online* dapat diakui secara legal dalam sistem keuangan konvensional, kepatuhannya terhadap syariah masih patut dipertanyakan. Penguatan kerangka regulasi yang selaras dengan prinsip-prinsip Islam, peningkatan literasi masyarakat mengenai keuangan syariah, serta pengembangan platform perdagangan yang sesuai syariah merupakan langkah-langkah yang sangat penting. Pengawasan dan inovasi yang berkelanjutan juga diperlukan untuk memastikan bahwa aktivitas keuangan tersebut tidak hanya sah secara hukum, tetapi juga dapat diterima secara etis dan religius.

Kata kunci: Legalitas, Forex Online Trading, Ekonomi, Keuangan, Syariah.

INTRODUCTION

The history of forex trading in Indonesia began in the 1970s to the 1980s. At that time, forex was mostly carried out by banks, exporters, and multinational corporations for the need for hedging against exchange rate fluctuations. This activity is not widely known in the community due to limited access to information and

technology. Transactions are carried out manually through interbank dealing rooms, and can only be done by institutions with large funds. Entering the 1990s, there was a major change in the Indonesian financial industry. Deregulation of the financial sector began to be encouraged by the government, including opening up opportunities for brokerage firms to facilitate derivatives transactions such as forex, indices, and commodities. That's when local brokers started to emerge, although in general the market is still very limited. (Rizka, 2025)

It wasn't until the early 2000s that forex began to be known as an investment alternative by the general public. The advent of the internet accelerated access to information, and some brokers began to introduce online platforms for transactions. Although still limited, this era marked the beginning of the development of the retail forex market in Indonesia. (Rizka, 2025).

The years 2005 to 2010 were a period of massive transition. Technological advancements, especially the internet and computers, have opened up opportunities for anyone to be able to access the forex market online. International brokers are also starting to enter Indonesia and offer high leverage and easy deposits through local transfers. The Commodity Futures Trading Supervisory Agency (BAPPEBTI), as the regulatory authority for futures trading in Indonesia, has begun to set strict rules regarding the legality of forex brokers. Brokerage companies that want to operate in Indonesia must have a BAPPEBTI license and be registered on the Jakarta Futures Exchange (BBJ) and the Indonesian Futures Clearing House (KBI). This is important to protect client funds and create a healthy trading climate. (Rizka, 2025).

Some Indonesian people have begun to be aware of the importance of investing, because the more advanced a society's education, the higher the level of awareness of the importance of developing their assets, one of which is through investment. Broadly speaking, investment can be divided into two, namely; *real asset investment* (investment in the real sector) and *financial asset investment* (investment in the financial sector), and one of the investments included in *financial asset investment* is online forex trading/*Forex Online Trading* (FOT).

One form of online financial investment that is in great demand by the public is forex trading (foreign exchange trading), which is the activity of buying and selling foreign currencies through electronic platforms with the aim of profiting from the exchange rate difference (Karim, 2017). According to the BIS (Bank for International Settlements) or the world's central bank, the average turnover of money in the world's foreign exchange trading transactions per day outside the exchange (over the counter) is estimated at 3.21 trillion US dollars. This large number will certainly affect the economic condition of each country involved.

The business of online forex trading practices raises legal problems from the perspective of sharia economic law, because in practice it often contains elements of speculation, the use of leverage, and interest systems that have the potential to contain *riba*, *gharar*, and *maisir*. (Muhammad Syafi'i Antonio, 2015). All of which is prohibited in Islamic economics and finance. On the other hand, legally positive in Indonesia, forex trading is allowed as long as it is done through a futures brokerage company registered and supervised by BAPPEBTI. (*Law Number 10 of 2011 concerning Amendments to Law Number 32 of 1997 concerning Commodity Futures Trading*, n.d.) The difference of views between positive law and sharia law raises questions about the legality of forex online trading in the perspective of Islamic economic and financial law.

It is important to understand that the concept of leverage that is often used in forex trading can also be at risk of great uncertainty and losses, which is contrary to sharia principles that prioritize fairness and transparency. Leverage allows traders to make transactions with borrowed capital, which in some cases can incur losses that are greater than the capital owned. If not managed properly, this can lead to practices that are detrimental to one party, which is clearly contrary to Islamic economic principles that prohibit transactions that involve great risk and speculation (Abidin and Dwi, 2025).

From an Islamic economic and financial perspective, fair and transparent economic and financial transactions are very important to create prosperity for all parties involved. Therefore, this study aims to provide a clearer understanding of how online forex trading practices can be carried out in compliance with sharia principles, as well as provide recommendations for regulators and market participants to ensure that forex transactions in Indonesia run in accordance with applicable Islamic principles.

In general, this research will contribute to a further understanding of the relationship between the practice of forex trading and Islamic law, as well as provide the basis for further research in the field of Islamic economics. As a first step, this article will present a literature review regarding forex online trading and an analysis of Islamic economic and financial laws.

It is hoped that the results of this research can be a reference for market participants, regulators, and the wider community in carrying out online forex trading activities in a way that is in accordance with sharia principles. In addition, it is hoped that this research can encourage further research on other financial transactions related to sharia principles, as well as their contribution to a fairer and more transparent Indonesian economy.

RESEARCH METHODS

The type of research in this article includes normative legal research, which aims to examine applicable legal norms, both sourced from laws and regulations, fatwas, and the doctrines of legal experts. By analyzing the legality of online forex financial investment in sharia economics and finance.

With a legislative approach, namely studying laws and regulations that regulate long-term trade and financial investment. And a conceptual approach, namely examining the concepts, principles, and principles of Islamic economic and financial law related to the prohibition of *riba*, *gharar*, and *maisir*. (Marzuki, 2017).

The data used is primary and secondary data. Primary data, namely: DSN-MUI Fatwa number 28/DSN-MUI/III/2002 concerning the buying and selling of currencies/sharf and commodity futures trading legislation. And secondary data, namely: Islamic economic and financial law books and scientific journals and articles. Library research data collection techniques to obtain accurate and systematic data. (Ibrahim, 2012). And the data analysis technique is qualitative analysis, with a descriptive-analytical method. (Moleong, 2019)

RESULTS AND DISCUSSION

Online Forex Business Trading in Islamic Economics and Finance

Investment in Islam is a muamalah activity that is basically allowed, as long as it does not contradict sharia principles (Ascarya, 2018). Islam encourages productive management of wealth, but prohibits economic practices that contain usury, *gharar*, and *maisir*. (Qur'an Ministry of Religion in Word, 2019).

Forex trading is a foreign currency trading transaction that is carried out simultaneously in a particular currency pair to profit from exchange rate fluctuations (Imaniyati, 2019). Online forex trading is in practice done through a digital platform with a margin and leverage system. The system allows investors to control large funds with small capital, but potentially pose high risk. (Burhanuddin, 2018). From the perspective of sharia economic law, this practice raises contract problems because of the lack of clarity of the object and mechanism of handover. Sharia economic and financial law Sharia economic law stipulates that every muamalah transaction must meet the principles of justice, openness, and benefit. (Manan, 2016). These principles include the prohibition of *riba*, *gharar*, and *maisir* as well as the need for a valid and clear contract.

Forex in Indonesian means foreign exchange. While forex trading or forex trading is a type of trade or transaction that trades the currency of one country with the currency of another country in the international market. Forex trading is a foreign currency trading model that works by taking advantage of the rise and fall of currency rates at certain times. The concepts of forex trading and Money changer are different even though they are both forms of trading or foreign exchange. The practice of forex trading is to take place in online or virtual transactions through a forex broker. Forex trading requires depositing money first as funds to be traded (Noviasih and Hadiati, 2025).

Generally, currencies traded in the international market are the currencies of highly developed industrial countries and become the driving currency of the world economy or referred to as hard currencies (Sawidji Widodoatmodjo et al., 2012). The currencies that are often traded include: US dollar (USD), Japanese Yen (JPY), Pound Sterling (GBP), Euro (EUR), Canadian dollar (CAD), Australian dollar (AUD), and Swiss franc (CHF). The popular currency is traded continuously during the trading session (Noviasih and Hadiati, 2025).

According to Wahbah Al-Zuhaili, *Al-Sharf* is the buying and selling of naqdain, which is a form of transaction involving the exchange of currencies that is often associated with the trade of precious metals, such as gold and silver. This exchange can occur in both pre-minted currency and unminted precious metals. According to Dr. Husein Syahatan, the concept of *Al-Sharf* is a form of buying and selling transactions that are permitted by Islamic sharia law. In the context of the foreign exchange market, *Al-Sharf* refers to the exchange of currencies between two or more different types of currencies. This is done to meet the needs of international businesses (Sudirman, 2018). In the Encyclopedia of Fiqh Umar bin Khattab ra it is stated that Sharf is the exchange of money with money of the same and different kinds." (Noviasih and Hadiati, 2025).

In the DSN-MUI fatwa on the buying and selling of currencies, namely: DSN-MUI Fatwa Number 28/DSN-MUI/III/2002 concerning Al-Sharf emphasizes that the buying and selling of currencies is allowed on the condition that it is carried out on a spot basis, is not speculative, and does not contain elements of usury. (DSN-MUI Fatwa Number 28/DSN-MUI/III/2002, 2022).

The positive legal basis in Indonesia regarding online trading forex transactions are: 1) Law No. 10 of 2011 concerning Commodity Futures Trading, 2) Law No. 21 of 2011 concerning Financial Services Authority, 3) Government Regulation No. 49 of 2014 concerning the Implementation of Commodity Futures Trading, 4) Letter from the Deputy Governor of Bank Indonesia No. 13/33/DpG/DPbS dated April 11, 2011 containing the recommendations of the Working Group. (National Sharia Council-Indonesian Ulema Council

(DSN-MUI), 'DSN MUI Fatwa on Commodity Trading Based on Sharia Principles in Commodity Exchanges', DSN MUI Fatwa Association, 2011, 1–14).

Judging from the types of online forex transaction activities according to the MUI fatwa: 28/DSN-MUI/III/2002 concerning the Buying and Selling of Currencies (Al-Sharf) are as follows: 1) Spot Transactions are activities of buying and selling foreign currencies that are completed immediately or no later than within a period of two days after the transaction is made. The law is permissible in Islam because the activity can be considered as a cash transaction, 2) Forward Transaction is a financial instrument in which two parties agree to buy and sell foreign currency at a currently agreed exchange rate, but its application will be carried out in the future. This transaction is considered illegal under the law because it involves a pre-agreed price agreement (muwa'adah) and the delivery is made the next day. Punished haram because the price at the time of delivery is not necessarily the same as the agreed price, 3) Swap is a transaction of selling and buying foreign exchange that involves the use of spot prices and forward prices. This transaction is considered not allowed because it involves an element of speculation (maisir), and 4) Option is a financial instrument that gives a certain party the right to buy or sell a certain amount of foreign currency in accordance with the terms of the contract that has been agreed. without obligation to execute the transaction at a specific price or before the maturity date. This contract involves an element of speculation known as maisir, so this transaction is considered haram according to sharia law. (Noviasih and Hadiati, 2025).

Legality of Forex Online Trading in Conventional Economics and Finance and National Regulation

Formal licensing in Indonesia, online forex trading is regulated by the Commodity Futures Trading Supervisory Agency (BAPPEBTI). According to the regulation, forex trading is a legal futures trading activity as long as it follows applicable regulations, including consumer supervision and protection (BAPPEBTI, 2022). However, the sharia aspect of this activity has not been explicitly regulated, causing confusion regarding its halal.

The results of the analysis show that conventional forex trading practices often contain elements of usury, especially through spreads and margin interest (Mulyadi and Suryono, 2020). In addition, the high leverage system increases the risk of speculation and uncertainty (gharar), which is contrary to sharia principles (National Sharia Council-Indonesian Ulema Council, 2021b). Thus, in terms of regulations and practices, this activity is not fully in accordance with Islamic economics and finance.

In the implementation of Forex Online Trading transactions, a broker (intermediary) is needed to be able to buy or sell foreign currencies. But now you can directly use the services of online forex broker services to transact foreign currencies in forex online trading. In addition to the above, FOT transactions also require a margin (guarantee). The amount of collateral depends on the contract size of the trade and is generally 100,000 and 10,000. To be able to follow the transaction according to the size of the contract value, the investor/trader must deposit the transaction collateral called the initial margin of 1% of the contract value.

One of the goals of the online forex trading business is profit, especially forex traders, by ell high – buy low. That is, when the price is high, the trader sells not with his own goods (currency), but the trader borrows from the broker, after the price goes down, this trader buys at a cheaper price. So the trader returns the item (currency) to the broker. The difference (spread) of the buying and selling price is the trader’s profit.

The growth of online forex transactions in Indonesia in 2025-2034 can be seen in the following diagram:

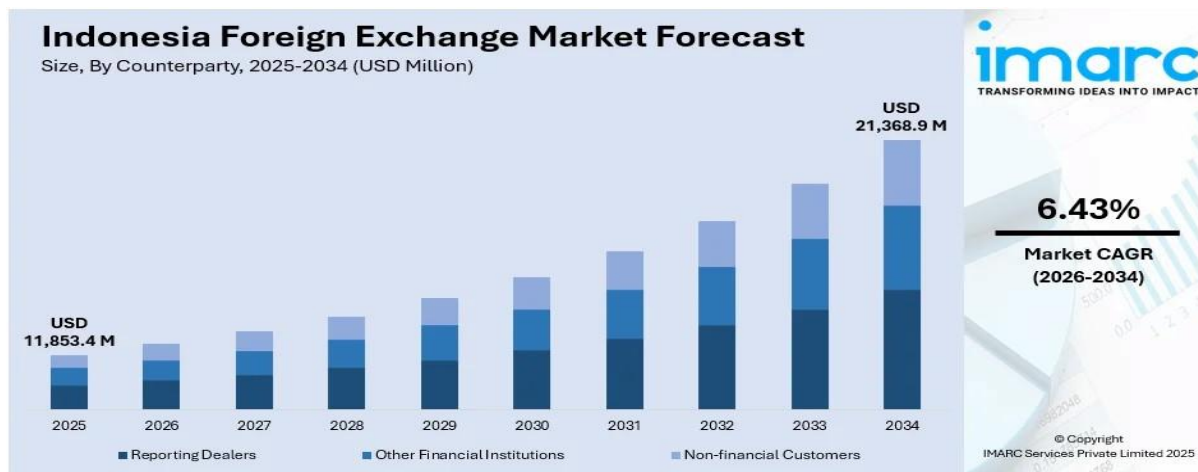


Figure 1. Indonesia Foreign Exchange Market Forecast
Source: Imarc Transforming Idean Into Impact, 2025.

The market is highly sensitive to global macroeconomic dynamics, with exchange rate volatility becoming a defining trend. According to an industry report, the exchange rate in Indonesia at the end of 2024 stood at IDR 16,095, compared to IDR 15,397 at the end of 2023 and IDR 12,385 a decade earlier. Over the past ten years, the exchange rate averaged approximately IDR 14,258 External factors such as U.S. (Counterparty, 2025).

As for illegal online trading forex business transactions in Indonesia that have been acted upon, by blocking the site reaching 1222 commodity trading sites in the form of online gambling under the guise of trading can be seen in the following table: (Hutabarat and Batubara, 2023).

Table 1. Number of Illegal Online Forex Platforms Blocked in Indonesia by Platform Type

No.	Type	Quantity
1.	Website	1108
2.	Application	88
3.	Social Media Page	26

Source: BAPPEBTI. 2021. Annual Report.

To avoid the risk of losses in the practice of positioning transactions and predictions in online forex transactions, there are two types of analysis that are commonly used to make decisions, namely: 1) Fundamental analysis; An analysis method that relies on events occurring in the global market. The content of this news will encourage the emotions of traders in the market to determine the value of a stock, a currency, or any other instrument (Suharto, 2013). Fundamental analysis is an analysis of news and information or rumors originating from agencies, newspapers, websites and individuals (Panggabean et al, 2013), including chain reactions, information distance, news sources, and types of news, and 2) Technical analysis; A method used by traders to predict future price movements by studying past price patterns. In this case, technical analysis is used on the Price chart (Suharto, 2013). The main goal of traders in analyzing charts is to detect price trends as early as possible, estimate the duration and range of the trend, and determine the ideal moments to enter and exit the market (Widoatmodjo et al., 2013), including the reflection of all events, trends, and always repeated (Noviasih and Hadiati, 2025).

Legal Legality and Principles of Sharia Economics and Finance

In the sharia economy, transactions must meet the requirements of fairness, transparency, and freedom from elements of riba, gharar, and maisir. (National Sharia Council-Indonesian Ulema Council, 2021a). Fatwas from the National Sharia Council-MUI stipulate that forex trading can be carried out in sharia if certain conditions are met, such as a clear contract, no interest elements, and avoiding excessive speculation (National Sharia Council-Indonesian Ulema Council, 2021b).

The results of the study show that most conventional forex trading practices do not meet these requirements. The contract used is usually arbitral and does not meet the provisions of fairness and transparency (Kamaruddin, 2019). In addition, speculative practices and high volatility cause gharar and maisir elements, so they do not meet sharia principles (National Sharia Council-Indonesian Ulema Council, 2021b).

In the principles of Islamic economics and finance, forex online trading transactions can generally be included in the category of al-sharf contracts, in substance the commodities that are transacted or traded are the same thing, namely trading and selling a currency (exchange/forex) with other currencies. However, the implementation of the practice of the al-sharf contract procedure in Islamic economics is different from the transaction contract in forex online trading, where in forex online trading there are margin rules and a short selling transaction system.

Meanwhile, in the al-sharf contract, to make transactions, rules are given that are already shorih. In this case, money becomes the object being transacted. In the Islamic concept, money is money and not capital. Money is everything that is a *flow concept* while capital is something that is a *stock concept*.

If it is associated with the al-sharf contract (and its derivatives), then forex online trading is very resistant to the occurrence of the practice of maisir and two types of riba, riba fadhil and riba (margin and short selling) it is very clear that there is a practice of buying and selling without direct handover / cash so that there is a practice of riba nasi'ah in the transaction because it is not carried out in cash or direct handover. and there is no ownership right to the goods that are traded which in Islamic economic terms is called ba'i alfudhuli and specifically in the short selling system it is indicated by gambling/maisir/speculation.

From this analysis, it can be explored that a law on forex online trading can be explored, that the law of buying and selling currency transactions through the internet network, namely forex online trading, is haram.

This is also in accordance with the nash of hadith and is also corroborated by the agreements/decisions/fatwas of fiqh/legal institutions in the Islamic world. (MUI, n.d.).

Decisions/fatwas of Ulama institutions in the world (including MUI) related to currency trading, including: the Institute for the Study of Islamic Fiqh KSA (Lajnah Da'imah), as well as the Fatwa of the National Sharia Council (DSN-MUI) on the Buying and Selling of Currencies. That currency buying and selling transactions (forex) are in principle permissible with the following conditions: 1) Not for speculation, 2) There is a need for a transaction, 3) If the transaction is carried out in a similar currency, the value must be the same and in cash, and 4) If it is of different types, it must be done at the exchange rate (exchange rate) that applies when the transaction is made and in cash.

The principles of buying and selling currencies (forex) in Islamic economics and finance are: 1) It is carried out in cash (spot), 2) The motive is in order to support commercial transactions, 3) Conditional buying and selling must be avoided, 4) In the long term it must be carried out with parties who are able to provide foreign exchange, and 5) It is not justified for goods that have not been controlled.

The elements and regulations in online forex transactions from the perspective of Islamic economics and finance are: 1) The person who has the contract, 2) shighat (ijab and kabul), 3) the object of the transaction (goods), and 4) the exchange rate. While the regulations are: 1) It must be the same value and 2) it must be handed over directly (spot). While the legal basis in online forex transactions in Islamic economics and finance is: 1) The Qur'an: 3: 275: Allah has legalized buying and selling and prohibits usury". 2) al-Hadith: Narrated by Bukhari and Muslim: The Prophet PBUH has forbidden the exchange of silver for silver, gold for gold, except in equal amounts. The Prophet told us to buy silver (paid) with gold as we wished and to buy gold (paid) with silver as we wished. A man asked the Prophet: "Continue to be handed over and accepted?" Abu Bakrah said: "This is what I hear", and 3) Fatwa of the National Sharia Council (DSN-MUI): Fatwa of the National Sharia Council No. 28/DSN-MUI/III/2002: Transactions of buying and selling currencies (forex) are in principle permissible with the following provisions: 1) Not for speculation (profit profit), 2) there is a need for transactions or just in case (deposits), 3) if the transaction is carried out against a similar currency, the value must be the same and in cash (attaqabudh), and 4) if it is of different types, it must be done with the exchange rate (exchange rate) that applies at the time the transaction is made and in cash.

Online forex transactions in the sharia economy, including *al-sharf*, are a term for al-muthalaqah (all kinds of values) transactions of this kind. Al-sharf is linguistically derived from the word sharafa which means to pay extra. Meanwhile, in terms of al-sharf is a form of naqdain trading, similar or non-similar, gold transactions with gold, silver with silver, or gold with cash and in the form of jewelry or coins.

The jurisprudence scholars give the following definitions: 1) The Maliki school defines sharf as a trading activity between currencies with something different, such as gold with silver or vice versa or a transaction of both (gold and silver) with the applicable currency, 2) The Hanafi school defines sharf as a form of term in the practice of buying and selling absolute tsaman, this is to clarify whether the tsaman is the same or different, 3) The Shafi'i school defines sharf as the activity of buying and selling the same currency (of the same type or different kind), and 4) the Hanbali school defines the definition of sharf found in 2 histories. First, it is the same as the definition of the Hanafi school. Second, it is the same as the definition of the Shafi'i school. (Kasim, 2024).

In Islamic banking practice, the sharf contract is applied in spot forex transactions (buying and selling foreign exchange) which refers to the exchange rate (spot rate) with the provision that the settlement of the transaction must be carried out within a maximum of two working days after the contract is agreed. Objectively, the sharf contract aims to profit from the exchange rate difference between foreign currencies, while the murabahah contract is focused on providing financing facilities in the form of interest-free buying and selling goods, where the bank obtains the agreed profit margin. In terms of the nature of transactions, sharf is the buying and selling of foreign currency, while murabahah is the buying and selling of commodities or physical goods (Nurulia and Handayani, 2025).

In the review of consumer protection laws, online forex transactions contain high speculative elements, so the potential for losses for consumers is very real. In terms of consumer protection law, speculation in this activity has implications due to the legal status attached to this activity. Legal forex trading is a form of futures trading activity that is regulated in detail by the Commodity Futures Trading Supervisory Agency (BAPPEBTI) through Law Number 10 of 2011 concerning Commodity Futures Trading. This regulation is also strengthened by a number of implementing regulations, including BAPPEBTI Regulation Number 4 of 2023 concerning the Implementation of Electronic-Based Commodity Futures Trading, which is the legal basis for the operation of legal forex trading platforms in Indonesia. In accordance with Law No. 8 of 1999 concerning Consumer Protection, especially Articles 4 and 7, consumers have the right to receive true,

transparent, and honest information, and are guaranteed legal protection against potential risks from the use of goods and services. (Susanti Made Aditya Pramana Putra, 2025).

Online Forex Investment Business Development Solutions

The development of sharia-based forex trading requires product innovation and the use of sharia-compliant contracts such as musharakah and tawarruq. (Yusuf Qardhawi, 2006). Several Islamic financial institutions and fintechs have begun to develop trading platforms that comply with sharia principles, including oversight from the Sharia Supervisory Board (DPS).

The results show that sharia forex products based on appropriate contracts and strict supervision are able to provide legal and halal alternatives for Muslim people who want to invest. However, the implementation and socialization of this product still needs to be expanded in order to reach more people. (National Sharia Council-Indonesian Ulema Council, 2022).

Challenges and Opportunities

The main challenge in the development of sharia forex trading is to ensure that all transactions are completely compliant with sharia, avoiding the elements of *riba*, *gharar*, and *maisir*. (National Sharia Council-Indonesian Ulema Council, 2021b). Supervision from the DPS must be strengthened and transparency must be maintained so that public trust increases.

Great opportunities are available if the right mechanisms and regulations are implemented consistently. Innovative product development and public education about Islamic finance are essential to expand the market and improve the sustainability of the forex investment industry.

Analysis of Online Forex Transaction Regulations in Indonesia

This study analyzes and identifies a number of crucial challenges in the development of online trading forex transaction instruments (*al-sharf*) in Indonesia. *First*, the level of Islamic financial literacy and inclusion is still relatively low. Based on data from the Financial Services Authority (OJK) in 2023, the Islamic financial literacy index of the Indonesian people only reached 39.11%, while the inclusion rate was only at 12.88%. This condition reflects the limited public understanding of Islamic financial concepts and products, which ultimately results in low participation in sharia-based investment instruments.

Second, regulations governing sharia-based sukuk and foreign exchange transactions are still considered to be multi-interpreted and do not comprehensively cover dispute resolution mechanisms and investor protection. This creates legal uncertainty that can reduce public trust in Islamic financial products.

Third, the lack of integration with international standards is also a challenge in itself. Global standards such as those published by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) have not been fully adopted at the national level. This disintegration hinders efforts to harmonize Indonesia's Islamic financial system with global Islamic financial practices, thereby limiting competitiveness and expansion into international markets (Nuruliah and Handayani, 2025).

Analysis of the Legality of Online Forex Transactions in Sharia Economics and Finance

Investment in online forex transactions (*Al-Sharf*) or foreign exchange (*forex*) is a form of legitimate activity in Islamic banking, as long as it is carried out in compliance with sharia principles that avoid the elements of *riba* (interest), *gharar* (uncertainty), and *maysir* (gambling). (Fahrika et al., 2022). In Islamic banking, foreign exchange buying and selling transactions can be carried out with a mechanism in accordance with sharia provisions through the use of valid and appropriate contracts.

According to DSN-MUI Fatwa Number 28/DSN-MUI/III/2002 regarding online forex trading transactions (*Al-Sharf*), forward agreement transactions are allowed as an alternative to forward transactions, which require the delivery of foreign exchange in cash. This fatwa explains that forward transactions, namely the purchase and sale of foreign exchange at a price set at this time but valid for the future (between 2 x 24 hours to one year), are haram. This is because the agreed price is a predetermined price (*muwa'adah*), while the delivery is carried out in the future, which means the price at the time of delivery can be different from the agreed price. However, forward transactions can be allowed if they are carried out in the form of a forward agreement for unavoidable needs (*lil hajah*) (Nuruliah and Handayani, 2025).

Online forex analysis is conducted from the aspect of sharia economics by evaluating compliance with sharia economic law, namely: First; Online forex transactions often involve an element of usury, which is prohibited in Islamic economics. *Riba* can occur when there is a delay in payment in a transaction, or there is interest charged on the currency exchange rate. Some forex platforms provide margin trading facilities, which require users to pay interest on loans used in transactions. This practice is clearly contrary to the principle of

prohibition of usury in Islam, which requires that every transaction be carried out without any unfair value addition (Miftah, 2020).

Second; Gharar (uncertainty) is a very important element in the practice of online forex business. Gharar occurs when the information required to conduct a transaction is not clearly available and open. In online forex, very fast and unexpected price fluctuations create very high uncertainty. This uncertainty leads to potential losses that cannot be calculated with certainty, thus leading to actions that are prohibited in Islam (Muliadi and Suyanto, 2021). Therefore, these overly speculative and high-risk forex transactions can be considered as practices that violate sharia principles.

Third; maysir (gambling) is the third element that is often encountered in online forex transactions. Maysir refers to a practice that involves betting or gambling, where one hopes to make a profit in the absence of any obvious effort or legitimate basis. In the online forex business, many market participants engage in trading based on mere speculation without considering rational analytical factors. This can lead to transactions that are more akin to gambling than legitimate trades (Alim, 2019). So, the element of maysir in online forex deserves attention in the assessment of sharia law (Abidin and Dwi, 2025).

However, despite the elements that are contrary to sharia principles, not all forms of online forex trading can be considered haram. In the Islamic context, it is possible that forex can be done in a sharia-compliant manner if it is done with particular principles in mind. Some Islamic economists suggest that forex be carried out by paying attention to more transparent and clear provisions, where there is no element of *riba*, *gharar*, or *maysir* (Salam, 2020). One example is forex transactions that are carried out directly without the use of margin or interest lending facilities, as well as by ensuring that information on prices and changes in the value of currencies is publicly available.

Online forex trading in Islamic finance in Islamic banks can be done using the *bai' al-sarf* contract, which refers to currency buying and selling transactions that are in accordance with Islamic principles. In these transactions, Islamic banks act as intermediaries to facilitate customers who want to buy or sell foreign currency. Some important things that need to be considered in the implementation of buying and selling foreign exchange in Islamic banks are: (1) Spot Transaction: In the *bai' al-sarf* contract, currency buying and selling transactions must be carried out in cash, that is, payments are made directly without any delay in payment or currency delivery. This is to avoid the element of *riba* or *gharar* that may appear if the transaction is carried out by way of credit or payment delay. (2) Clear Exchange Rate Conformity: The agreed currency exchange rate between the buyer and seller should be clear and transparent. Islamic banks must ensure that the exchange rates used in transactions do not contain speculation or uncertainty that could be detrimental to either party. The applicable rates must reflect a reasonable market value and be free from fraud or price manipulation. (3) No Element of Gambling (Gambling): Investments in the buying and selling of foreign currency must be made for legitimate purposes, such as for trading or investment purposes, and not for speculation or gambling purposes. Therefore, transactions must be based on real objectives and must not contain an element of uncertainty or excessive risk (Nuruliah and Handayani, 2025).

CONCLUSION

Forex online trading is the trading of currencies or foreign exchange with other foreign currencies that does not involve the physical nature of the trade, but only its value in one internet platform and is classified as a future market. In the transaction application, there is a margin and a short selling transaction system. Margin is a security deposit deposited to a futures brokerage company, so that investors can make transactions through the futures brokerage company (broker), while short selling is selling a good or service that is not owned by the seller.

The legality of sharia economic and financial law in conventional online forex trading business transactions has the potential to violate Islamic sharia principles, especially related to the elements of *riba*, *gharar*, and *maysir*. These trading practices often contain high risk and excessive speculation that is not in line with the values of justice, transparency, and *halal* in Islamic economics and finance.

However, with the development of sharia-compliant transaction mechanisms, such as *tawarruq* contracts, *musyarakah*, and the use of a supervision system from the Sharia Supervisory Board, forex trading can be adapted into *halal* and sharia-compliant investment instruments. Strict regulations and public education on the principles of Islamic economics and finance are essential to ensure that these activities are not only formally legal but also meet the *halal* aspects of religious viewing.

The researcher's advice on online forex business transactions is based on the following steps: strengthening sharia regulations, developing sharia products and platforms, continuous improvement and control, and further supervision and development.

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