

Exchange Riba in Cryptocurrency Transactions

Sajjad Salehi¹, Seyed Abdolvahab Razavi Tabar², Mojtaba Alinejad³,
Ali Akbar Jahanbakhshi⁴, and Amirhossein Adibi Sedeh⁵

1. PhD Student in Islamic Jurisprudence and Principles of Islamic Law, Imam Khomeini Research Institute, Tehran, Iran. Email: ss.salehi1996@gmail.com
2. PhD Student in Islamic Jurisprudence and Principles of Islamic Law, Imam Khomeini Research Institute, Tehran, Iran. Email: Razavi.vahab1500@gmail.com
3. *Corresponding Author*, PhD Student in Islamic Jurisprudence and Principles of Islamic Law, Imam Khomeini Research Institute, Tehran, Iran. Email: alinejad.mojtaba@gmail.com
4. Associate Professor, Department of Islamic Jurisprudence and Law, University of Tabriz, Tabriz, Iran. Email: jahanbakhshi@tabrizu.ac.ir
5. M.A. Graduate in Intellectual Property Law, University of Tehran, Tehran, Iran. Email: adibi.amirhossein@ut.ac.ir

Article Info

Article type:
Research Article

Article history:
Received
03 November 2023
Received in revised form
12 January 2024
Accepted
28 January 2024
Available online
22 December 2025

Keywords:
exchange riba,
countable goods,
unity of genus,
cryptocurrencies,
digital currencies,
monetary functions,
property status

ABSTRACT

Cryptocurrencies have acquired an important place in contemporary economic exchange among people and states. Because exchange riba may occur in these transactions, research is needed to prevent Muslims from entering usurious dealings. The core question is how exchange riba applies to cryptocurrencies, which are countable goods. Using a descriptive-analytical method and library sources, the article reaches two main conclusions. First, riba applies to countable goods as well. Only if a solitary report can qualify the general prohibition of riba may the sale of one garment for two garments, and not all goods traded by inspection, be exempted. Second, cryptocurrencies are countable goods; equality must therefore be observed in their exchange. Accordingly, tokens may not be exchanged for more tokens of the same kind, nor coins for more coins of the same kind.

Cite this article: Adibi Sedeh, A., Salehi, S., Razavi Tabar, S. A., Alinejad, M., & Jahanbakhshi, A. K. (1404). Exchange Riba in Cryptocurrency Transactions. *Studies of Islamic Jurisprudence and Basis of Law*, 20(2), 265-290. <https://doi.org/10.22034/fvh.2024.17327.1863>



© Author(s) retain the copyright. Publisher: Al-Mustafa International University.
DOI: <https://doi.org/10.22034/fvh.2024.17327.1863>

Introduction

In recent years cryptocurrencies have raised new questions concerning their nature and the Shari'ah ruling on their exchange. One of the most important challenges is whether exchange riba can occur in cryptocurrency transactions. Riba is prohibited by all jurists and is commonly connected with sameness of genus and with goods measured by volume or weight. Disagreement persists, however, both over the meaning of sameness of genus and over whether riba is limited to measured and weighed goods. If riba applies to countable goods and cryptocurrencies are countable, the ruling may extend to cryptocurrency exchange. The study asks how riba operates in buying and selling cryptocurrencies.

Methodology

The article uses critical content analysis based on library and electronic sources. The authors identify primary sources, extract the elements relevant to the issue, analyze them, and then develop a comprehensive theory. A significant part of the research consists of critiques directed at competing theories and their underlying assumptions.

Literature Review

Because cryptocurrencies are new, no independent work has directly answered the questions of exchange riba in this field. Related studies have examined the condition of sameness of genus in exchange riba or the conceptual ambiguity of measured, weighed, and countable goods. These works do not answer the present article's central questions about the operation of riba in countable goods and then in cryptocurrencies.

Findings

The reports commonly used to deny riba in countable goods are not sufficiently reliable in chain of transmission and cannot establish that exclusion. The examples in the reports concern goods sold by inspection and cannot be generalized to all countable goods. Limiting riba to measured and weighed goods would allow users to use countable goods to circumvent the prohibition, defeating the purpose of the lawgiver. Historical evidence also shows that gold and silver coins were treated as countable in practice, while riba was nevertheless prohibited in them. Therefore exchange riba applies to countable goods, except in narrow cases expressly supported by proof.

Discussion

On this basis, cryptocurrencies are countable goods and the rules of exchange riba apply to them. The authors conclude that exchanges involving an excess between cryptocurrencies of the same kind are prohibited and void. The analysis does not deny the broader complexity of cryptocurrency transactions,

but it establishes that the countable character of cryptocurrencies is not a reason to exclude them from riba.

Conclusion

The narrations on exchange riba do not prove non-application of riba to countable goods. Their chains are weak and their examples are limited to inspected goods. If riba were restricted to measured and weighed items, usurers could continue through countable goods, which would contradict the objective of prohibition. Since all cryptocurrencies are countable, excess in exchange between items of the same kind must be avoided. Where such excess occurs, the conduct is prohibited and the transaction is void.

Declarations

Author Contributions: Data collection: Amirhossein Adibi Sedeh, Sajjad Salehi, Seyed Abdolvahab Razavi Tabar, and Mojtaba Alinejad. Report preparation: Seyed Abdolvahab Razavi Tabar. Data analysis: Amirhossein Adibi Sedeh, Sajjad Salehi, Seyed Abdolvahab Razavi Tabar, Mojtaba Alinejad, and Ali Akbar Jahanbakhshi.

Data Availability Statement: Not applicable.

Acknowledgements: No acknowledgement was declared.

Ethical Considerations: The authors observed the ethical principles governing the conduct and publication of scientific research.

Funding: This research received no specific grant from public, commercial, or not-for-profit funding bodies.

Conflict of Interest: The authors declared no conflict of interest.

Declaration on Generative AI and AI-assisted Technologies: The authors declared that no artificial intelligence was used in the writing process.