



# The Relationship between Buying and Selling Coins and Foolish Transactions from the Perspective of Imami Fiqh

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## ABSTRACT

A foolish transaction is a transaction made by a legally competent person but regarded by custom as lacking economic proportionality between the countervalues and lacking a rational purpose. It is therefore not a transaction ordinarily undertaken by rational people. The notion of a foolish transaction, distinct from a transaction by a legally incompetent person, is a relatively recent issue in fiqh and law and is disputed with respect to validity. Coins, as a new form of digital asset, have become important in global economic exchange but raise questions concerning their fiqhi and legal nature. One objection is that coin transactions are foolish and therefore void. This article, using a descriptive-analytical method, clarifies the concept of foolish transactions, distinguishes it from transactions by incompetent persons, and evaluates whether coin transactions fall under that category. The findings show that foolishness in a transaction is relative, that a personal rational purpose may remove the transaction from that category, and that the main criteria for foolishness - absence of property status, rational benefit, ownership, deliverability, or determinacy - are not established in coin transactions.

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## **Introduction**

In Imami fiqh and Iranian civil law, foolishness is one ground of legal incapacity and refers to the lack of rational ability to manage property. Alongside transactions by legally incompetent persons, jurists have discussed foolish transactions carried out by competent persons but lacking rational economic purpose. The rise of digital assets such as coins has generated questions about their nature and the ruling on their exchange. Some have argued that buying and selling coins is foolish and therefore void. The study asks whether, even if foolish transactions are void, coin transactions can be classified as such.

## **Methodology**

The research is descriptive-analytical and library-based. It studies Imami fiqh sources from early and contemporary periods and relevant legal materials. It reconstructs the concepts of the legally incompetent transaction and the foolish transaction, identifies criteria for foolishness, and then compares those criteria with the features of coin transactions.

## **Literature Review**

Discussions of foolish transactions appear sporadically in Imami fiqh texts from the time of Shaykh Tusi and were developed more fully in later works. Research on cryptocurrencies has generally focused on property status, gharar, or related issues. The specific relationship between coin transactions and foolish transactions has received little independent analysis.

## **Findings**

A foolish transaction is one in which economic proportionality between the countervalues is customarily absent and no rational purpose exists, even if the parties are legally competent. Jurists differ over its validity. The study emphasizes that the description is relative. A rational personal purpose, or circumstances of time and place, may remove a transaction from the category of foolishness. Coin transactions do not lack property status or rational benefit: they have real supply and demand, exchange value, and economic functions such as secure and low-cost transfer. They can be owned through mining or purchase, transferred through blockchain systems and reputable exchanges, and specified by price and amount at the moment of exchange. Lack of conventional backing and price volatility do not by themselves prove foolishness.

## **Discussion**

Even if one accepts the invalidity of foolish transactions, applying that label to coin transactions is difficult. The principal criteria of foolishness are not present. This conclusion does not, however, prove the overall permissibility

of coin transactions, because other issues such as harm, risk, and regulatory concerns require separate analysis.

### **Conclusion**

Coin transactions cannot be categorized as foolish merely because coins lack conventional backing or fluctuate in price. Coins have property value, rational benefit, ownership structure, deliverability, and determinacy in major markets. Risks such as unreasonable purchase prices, hacking, wallet theft, lost passwords, or loss of private keys are largely managed through knowledge and security practices. Therefore, even if foolish transactions are deemed void, coin transactions do not fall within that title.

### **Declarations**

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