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Controversy Surrounding The Benefits of The E-Wallet Application Software

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Abstract

E-wallets generally represent the latest technology that offer consumers an electronic money storage service. The e-wallet system emerged from a variety of innovations in the course of changing the world's saving system brought about by Industrial Revolution 4.0 and has escalated the advancement of financial technology to the present state. The issue of benefits provided by application publishers to e-wallet depositors has become a controversy in shariah laws, as some of these benefits were offered to e-wallet depositors when they deposited funds into their accounts. Hence, the objective of this study focused on e-wallet application software, namely the contract between publishers and e-wallet depositors involving the latter's depositing of funds into their e-wallet accounts. It also analysed the legal status of benefits offered by publishers to e-wallet depositors. This qualitative study used the document analysis and participant observation analysis methods on the Touch 'n Go eWallet and Shopee application software as a case study to examine benefits offered after depositing funds. Hence, it can be concluded that deposits in e-wallet applications are a form of debt and benefits offered to e-wallet depositors are banned in Islam because it is usury which is prohibited in Islam. This study forms the basis for other studies related to the use of current financial technology such as blockchain, online currency exchange, and also online investment platforms that comply with shariah laws.

Keywords: E-Wallet, Deposit, Interest, Loan, Riba (Usury).

Introduction

Business enterprises have experienced a rapid revolution over time and this has affected various sectors, especially the production and distribution sectors. This revolution is known as Industrial Revolution 4.0 (IR 4.0). According to Jamhari et al (2020), IR 4.0 is based on a broadband network known as the Internet of Things (IoT), whereby everything uses the broadband. It has resulted in the use of computing and the internet for analysing information as well as Artificial Intelligence (AI) to help in the production sector.

21st century financial technology, also known as Fintech, has developed rapidly and it has impacted all types of industries, including the world's financial industry. Even today's financial technology focuses on improving and automating financial services by using specialized software and algorithms in computers and smartphones.

The development of financial technology has given rise to various digital systems that are adopted by the majority of society today as it provides various benefits to users. However, as a Muslim consumer, aspects related to Sharia law or Sharia-compliant technology, cannot be taken lightly.

A digital technology known as the electronic wallet (*e-wallet*) has sufficed lately and managed to stimulate the interests of the Malaysian public, which had led to several companies introducing electronic wallets, such as Touch 'n Go eWallet and ShopeePay.

Shopee is a Singaporean international technology company that focuses on e-commerce and it is managed by the Sea Group company, previously known as Garena (Lee, 2017). It was founded by Mr. Xiaodong Li and is registered under the communication service sector in the gaming and multimedia electronics industry (Yahoo Finance, 2021). Shopee's *e-wallet* application service was first launched in Singapore in 2015, and is currently available in all Southeast Asia and East Asia countries as well as some countries in Latin America (Econsultancy, 2018). The Shopee *e-wallet* application also offers an *e-wallet* service called ShopeePay. It is also registered with Bank Negara Malaysia as an *e-wallet* issuer under ShopeePay Malaysia Sdn. Bhd (BNM, 2021).

The Touch 'n Go eWallet application is an e-commerce, e-payment and *e-wallet* platform in Malaysia. It was created by a company called TNG Digital Sdn Bhd, which is a collaboration between Touch 'n Go Sdn Bhd and Alibaba Group's Ant Financial Service Group (Wong, 2019). According to Malaysia Data (2021), TNG Digital Sdn Bhd was established in 2017 and the current digital director of Touch 'n Go Sdn Bhd is Effendy Shahul Hamid (Touch 'n Go eWallet, 2021). According to Loh (2020), 51 percent of TNG Digital Sdn Bhd's holding is held by Touch 'n Go Sdn Bhd, while Alibaba Group's Ant Financial Service Group holds the remaining 49 percent. Touch 'n Go eWallet is also registered with Bank Negara Malaysia as an *e-wallet* issuer under a company called TNG Digital Sdn. Bhd (BNM, 2021).

Problem Statement

Operations pertaining to benefits accruing to *e-wallet* depositors by the application publisher are similar to commercial (*muamalat*) operations that are prohibited by Shariah and could be likely involved in a form of commercial usury (*muamalat riba*).

According to the participant observation conducted by this study, Touch 'n Go eWallet and Shopee applications do provide benefits to *e-wallet* depositors, which are in the form of cash rewards and gifts. These benefits are a part of the promotional mechanism used by *e-wallet* publishers to attract *e-wallet* depositors to frequently use their services.

Participant observations also found that the benefits came in two forms, namely:

- i. Electronic currency that can be used as real currency.
- ii. Not in the form of real money, such as reward points, purchase vouchers, discount vouchers, and free delivery vouchers.

Following this are the benefits provided by the *e-wallet* application publishers based on three different situations:

- i. Benefits accruing to the *e-wallet* depositor when depositing money into the *e-wallet* account.
- ii. Benefits accruing to the *e-wallet* depositor when making purchases using the application.
- iii. Benefits accruing to the *e-wallet* depositor's application account.

Among the three benefit-accruing situations mentioned, there is only one situation involving Shariah issues, which is benefits accruing to *e-wallet* depositors who deposit money into their *e-wallet* accounts. Hence, this involvement in Shariah issues was investigated by this study.

Some previous studies (Mustafaa, 2004; Al-`Ihsan, 2003) had examined usury from a literary aspect. According to the various sects and Islamic jurists, usury has several definitions in fiqh but these definitions only vary slightly. Basically, the majority of Islamic jurists believe that usury is an addition to one of two items of the same type that are exchanged without any reciprocation for the reward (Al-Jaziri, 2003). The type of usury that is likely to arise in this situation is the *qard riba*, because *qard riba* arises when any additional rate or benefit that is more than the principal loan is charged on the loan and agreed upon when the loan is made, either imposed by the lender or offered by the borrower.

Meanwhile, the two other types of situations are not involved with Shariah issues because the benefits accruing to *e-wallet* depositors are grants or *ju'alah* and the ruling is that it is permissible (*mubah* or *harus*) in Islam.

According to Islamic jurists, *hibah* refers to the bequeathing of ownership to an individual without receiving any compensation (*iwad*) during the previous owner's lifetime (Al-Zuhaili, 2011). According to the *al-Fiqh al-Manhaji* scripture, *hibah* refers to a contract of agreement or contract for the transfer of ownership without any compensation (*iwad*) while the previous owner is still alive and the transfer is done voluntarily (Al-Khin et al., 1992).

Basically, *hibah* is the bequeathing of something physical or otherwise, which includes alms and gifts. These three characteristics have a similar basis, the difference being the purpose of bequeathing, where charity is an act of giving with the aim of securing a reward in the afterlife and it is usually from the rich to the poor. Meanwhile, a gift is an act of giving something to honour someone and it is usually related to something. Hence, it can be concluded that every charitable act or gift is a *hibah*, but not all *hibah* are a form of charity or gift (Al-Zuhaili, 1997).

One of the conditions for *hibah* to exist in *sigah* is for it to be in the form of *taqyid* (a conditional contract). In the context of *hibah*, *taqyid* occurs when an individual places a condition(s) in the *hibah* contract. The condition(s) might or might not sometimes comply with the *hibah* contract concept (*muqtada al-hibah*) (Nasrul Hisyam et al, 2017). This type of *hibah* is categorized as a conditional *hibah*, which is *al-hibah al-muqtarinah bi shart* or otherwise known as conditional gifts that are legal and permitted in Islam (Kamila Tyabji, 1949).

Benefits in the form of rewards are more accurately referred to as *ju'alah*. According to Al-Zuhayli (1997); Al-Sharbini, (1997), *ju'alah* is an agreement to provide compensation for a specific task or a task that is yet to be carried out. According to Sabiq (1998), *ju'alah* is a contract for a benefit, which is a form of reward for a job. Based on the various definitions above, the meaning is similar, with the difference only being in the pronunciation.

This study had analysed the status of benefits accruing to *e-wallet* depositors from *e-wallet* issuers. It does not rule out the possibility of a benefit's function being similar to certain aspects of commerce (*muamalat*), which are prohibited by Syariah, such as *muamalat riba qard*.

Therefore, in order to determine the function of benefits offered by *e-wallet* issuers and its involvement in *ribawi* issues, this study analysed the relationship between the *e-wallet* application software's function and the provision of benefits. It also examined the contract used when *e-wallet* depositors deposit funds into their *e-wallet* account from an Islamic

perspective because the contract could affect the status of the benefits from an Islamic aspect.

Objectives of The Study

This study aimed to

- i. Examine the function of the benefits offered by the *e-wallet* application software
- ii. Analyse the contract concerning the depositing of funds by an *e-wallet* depositor into an *e-wallet* account from an Islamic perspective
- iii. Analyse the benefits of the *e-wallet* application software from an Islamic perspective

Methodology

This qualitative study discusses the issue of benefits provided by *e-wallet* issuers, including benefits in the form of cash or non-cash and this aspect will be analysed from a jurisprudence perspective by taking into account the views of previous and contemporary scholars. This study also examined two different types of *e-wallet* applications as the study sample, namely the Shopee *e-wallet* and Touch 'n Go eWallet applications.

The participant observation research method as well as content analysis were used to achieve the study's objectives. Observational study methods were used to obtain data and a better understanding of the *e-wallet* application's functions in terms of offering benefits to *e-wallet* depositors in efforts to retain them. The researcher conducted observations and participated by registering as a user of the *e-wallet* application and then deposited a sum of RM10 into the two *e-wallet* applications, namely Shopee *e-wallet* and Touch 'n Go eWallet. The researcher then made purchases and recorded all the benefits and perks offered by the applications.

Meanwhile, the content analysis method was used to evaluate and analyse the existence of *muamalah*, which is prohibited by Syariah. All documents related to the *e-wallet* system, religious books and views of contemporary Islamic jurists regarding the Shariah-compliance aspect of the *e-wallet* system's benefits were scrutinized using this method.

Electronic Wallet (E-Wallet)

The *e-wallet* application refers to an application in smartphones or software in computers that conduct certain tasks for *e-wallet* depositors. According to Upadhayaya (2012); Lerner (2013), *e-wallets* are known as mobile phone wallets or mobile wallets (m-wallets), as well as mobile money, mobile money transfer, or mobile payments. It generally represents a payment service operated by financial regulations and performed through a mobile device.

Conversely, mobile money transfer refers to a money exchange method that uses a device that complies with specified legal policies. An individual need not use direct payment methods, such as cash, cheque, debit card or credit card, when making a payment but instead use the digital transaction method through a mobile phone with pre-installed applications (Painuly & Rathi, 2016).

A digital wallet or electronic wallet, refers to an electronic device that allows an individual to transfer funds into a digital account and allows the individual to make a digital transaction. This includes using a computer facility or a smartphone or tablet to buy something either in a virtual shop or a real shop as well as pay utility bills, make donation to charities and other payments (Adlin et al., 2019; IKIM, 2019; Tria & Epsilandri, 2019; Akhi, 2014; Nizam, et al., 2019; Azlina et al., 2013).

In addition, this application is a system that stores information and passwords for various payment methods used by *e-wallet* depositors (Raja et al., 2008). It also refers to an electronic and internet-based payment system that stores information related to personal and financial identity (Karim et al., 2020; Wen et al., 2018).

According to Karim et al (2020), it is a technology used by smartphones to enable *e-wallet* depositors to perform safe and secure payment transactions. Sahut (2008) stated that an *e-wallet* is an instrument dealing with electronic money as well as a smart card with a micro-processor in which money (credit) previously transferred (deposited) into a virtual account, has a value (e-money).

In addition, this technology allows an individual to make convenient electronic transactions, as compared to internet banking, by entering all proof of payment every time a purchase is made. Furthermore, it works well for both online and physical transactions, where buyers and merchants usually scan a barcode or a QR code to transact (Tabianan et al., 2019; Adlin et al., 2019; Azlina et al., 2013). In fact, it can also work by communicating with a payment terminal through NFC (Near Field Communication) technology (Azlina et al., 2013)

Individual bank accounts can also be linked to digital wallets (Kayalvily Tabianan et al, 2019). This system can operate by using credit cards, debit cards, smart cards, as well as act as a money transfer tool or perform similar operations (Asmadi et al., 2019; Tabianan et al., 2019).

This technology works as a bank since the *e-wallet* can store digital money (e-money), which resembles a physical wallet but the difference is only in the nature of its digital form (Adlin et al., 2019; Mirza, 2019; Nizam, et. al., 2019).

Based on several previous studies related to the definition of *e-wallet*, it can be concluded that there is a definition that is easily understood and includes the entire *e-wallet* system. It is a digital account technology that is supervised by a company and allows individuals to store and transact electronic money according to current technological developments.

However, the *e-wallet* application differs from the electronic banking application software (e-banking), whereby the electronic banking application is an application built and supervised by the bank itself, which links users with their own bank accounts. Meanwhile, the *e-wallet* is operated by e-money licensed companies under the purview of Bank Negara Malaysia and it is a separate account from the user's bank account.

The method of depositing money into an *e-wallet* account, and the method of transacting between *e-wallet* depositors, is dependent on the rules established by the application's publisher and also the development of financial technology at that time.

The Contract For Depositing Funds Into An E-Wallet Account

E-wallet is an electronic wallet that manages e-money based on real currency according to the currency of a particular country, such as the Malaysian Ringgit, or Indonesian Rupiah or others.

Previous studies had directly dealt with e-money usage contracts. For example, a study by Rusdiyanto (2017) in Indonesia found that the contract used for e-money products by private Shariah banks was the *bay' al-Sarf* contract because of the similarity of this system with the sale and purchase of currencies. However, this study believes that e-money contracts in Malaysia are not similar to *bay' al-Sarf* contracts. This is because the use of sale and purchase contracts involving currencies is more accurately used in transaction involving different types of currencies, such as the purchase of Indonesian Rupiah using the Malaysian

ringgit, whereas the act of depositing money in an *e-wallet* account involves the same type of currency or just one type of currency, such as the Malaysian Ringgit. Besides that, the depositing of funds into an *e-wallet* account is also not a currency purchase because according to BNM, *e-wallet* issuers cannot use *e-wallet* depositor funds arbitrarily. The funds can only be used as a form of returns to *e-wallet* depositors or to make payments to businesses, and it must be placed into a separate account under a registered Malaysian Financial Institution. However, if it is a currency purchase contract, then basically the *e-wallet* issuer is not bound by any specific regulation because it is the buyer's right to take any Shariah-compliant action against the purchased goods.

According to a fatwa (Fatwa DSN NO: 116/DSN-MUI/IX/2017) issued by the National Syariah Council-Majelis Ulama Indonesia (DSN-MUI) (2017), the *e-money* can be used or withdrawn at any time, whether it is a *wadi'ah* or *qard* contract. However, this study is of the opinion that it is not appropriate to equate *e-money* contracts with the *wadi'ah* principle found in *fiqh* for several reasons. One reason is that the *e-money* issuer can use the funds as an investment and it is rather impossible for the *e-money* issuer to freeze the funds and not use them.

This study also examined previous studies concerning *e-wallet* contracts. According to the Shariah Advisory Council of Bank Negara Malaysia (SAC) (2020), the *e-wallet* application uses two contracts, namely the *wakalah* and *qard* contract. A *wakalah* contract occurs when an *e-wallet* depositor makes a purchase or sale order, i.e., representing the *e-wallet* issuer in a transaction, while a *qard* contract occurs when an *e-wallet* depositor deposits money into an *e-wallet* account.

According to Mirza (2019), the contract used in the *e-wallet* application is not a *qard* contract, however, Adlin et al (2019) stated that it is a *wadi'ah* contract and not a *qard* contract. Both of these studies stated that *e-wallet* issuers cannot use the *e-wallet* depositors' funds because according to Bank Negara Malaysia's guidelines, the funds cannot be invested, hence, they believe that the contract used is not a *qard* contract. However, this study found that, based on the guidelines, *e-wallet* issuers could utilise the funds if there is excess liability (Payment Systems Policy Department, 2021).

According to the Shafie sect, the *qard* concept refers to a money lending contract by a lender to a borrower where the latter is bound to repay an equivalent replacement amount to the lender. According to the Hanbali sect, it refers to the handing over of a property to someone who can benefit from it and returns the property later on. Meanwhile, the Maliki sect believes that *qard* refers to a person who lends something of value to another person and the replacement should be similar to the item or amount of money lent (Al-Jaziri, 2003).

Therefore, this study believes that the Islamic-based contract used in the depositing of funds into an *e-wallet* account is a *qard* contract, which is also the view shared by the Shariah Advisory Council of Bank Negara Malaysia (SAC). This is because the concept involving the depositing of funds into an account is similar to the *qard* concept, as concluded by previous Islamic jurists, with the knowledge that the *e-wallet* issuer is responsible for prudently managing the funds received from the *e-wallet* depositor. This means that the *e-wallet* issuer will return the money if it is demanded by the depositor or replace it with a similar value if it is lost, and the *e-wallet* issuer is allowed to invest the funds and make a profit from the investment.

Benefits of The *E-Wallet* Application From An Islamic Perspective

This study analysed the issue of *e-wallet* issuers providing benefits to *e-wallet* depositors when the former deposits funds into an account, whether it is monetary or non-monetary in nature, according to Islam. Since the deposit in the *e-wallet* account is debited as a *qard*, hence, every benefit accruing from the *qard* is a form of usury (*riba*).

This study found that the benefits of depositing funds into an *e-wallet* account is illegal because of the presence of *qard jarra naf'an* elements based on the following considerations:

- i. The operational similarity between the benefits offered and the *ribawi* contract concept
- ii. The benefits are targeted on the amount deposited into the *e-wallet* account.
- iii. There is a connection between the funds deposited by the *e-wallet* depositor and the benefits provided by the *e-wallet* issuer.
- iv. BNM guidelines state that e-money issuers can benefit from depositing the *e-wallet* depositor's funds into the trust or deposit accounts in certain circumstances.
- v. The contract between the *e-wallet* depositor and the *e-wallet* issuer pertaining to the depositing of funds is a *qard* contract.

First, this study found that operations related to the depositing of funds into an *e-wallet* account and the provision of benefits by the *e-wallet* issuer to the *e-wallet* depositor have an operational similarity with a *qard jarra naf'an* contract.

Riba qard is an excess or benefit or interest on the original (principal) debt that is required when the debt agreement takes effect and it is based on the arguments by Islamic jurists who had agreed in prohibiting *qard jarra naf'an*.

Narrated by Ibnu al-Mulaqqin, the Prophet SAW exhorted

Every debt that provides benefits in the form of profits (to the creditor) is a form of usury (Narrated by Ibn al-Mulaqqin)

In addition, there is also a prohibition against equating buying and selling with debt, based on the exhortations of the Prophet SAW

There can be no receivables in conjunction with buying and selling (seeking profit) nor two conditions in one buying and selling and it is not Halal for goods that cannot be guaranteed (for better or worse) and it is not Halal to sell what you do not have (Narrated by al-Hakim).

Following that, there is another hadith where the Prophet SAW exhorted:

The Prophet SAW prohibits the joint existence of receivables and sales-purchase in one contract (Narrated by Albani).

According to the Shafie sect, one of the conditions imposed in the *qard* contract is to deny the benefits accruing to an individual providing a loan and if indeed this occurs, then it is categorized as an invalid (*fasid*) contract and renders the contract void. Meanwhile, the Maliki sect believes that a *qard* contract is impermissible and it is forbidden for the creditor to accept a gift from the debtor except when this kind of a situation has occurred in previous societies or a new family relationship has come into being and so forth. Whereas the Hanbali sect believes that the *qard* contract cannot attach any condition that provides benefits (profit) for the creditor. For example, the creditor requires the debtor to live in the debtor's house

for free or by paying a low rent, or the debtor wants to return the loaned item in a much better condition than earlier or the debtor gives a gift to the creditor, and so on (Al-Jaziri, 2003).

Based on the arguments above, it can be concluded that every debt contract is bound by the principles of a *ribawi* contract. It is clear that the Prophet SAW has strictly prohibited contracts that provide excess benefits or advantages.

Based on the observations, the Touch 'n Go e-Wallet application requires a minimum start-up fund of RM50 in order to obtain the benefit of a RM3 voucher and this campaign started on 7 December 2021 and ended on 31 December 2021.

Hence, it can be concluded that the receipt of benefits or advantages when depositing occurs is a debt contract that has an excess of benefits compared to the original capital, which is similar to the concept of *riba qard* discussed above.

Second, this study found that the benefits provided by *e-wallet* issuers to *e-wallet* depositors are based on the amount deposited into the *e-wallet* account. However, according to the Shariah Advisory Council of Bank Negara Malaysia (SAC), the benefits accorded to *e-wallet* depositors by approved issuers is not solely a form of benefit based on the amount of funds deposited into *e-wallet* accounts, rather it is intended as a marketing strategy to further encourage customer participation. Since this view is related to intention (*niat*), this study looked at the concept of intention (*niat*) in Islam, based on a hadith of the Prophet Muhammad SAW, namely:

Verily, every practice is based on intention and indeed every person follows his intention. Hence, whoever affiliates to Allah and His Messenger, then affiliate to Allah and His Messenger, and whoever affiliates because of worldly goodness for himself or a woman to marry, then his affiliation is according to what he affiliates to" (Narrated by al-Bukhari and Muslim).

Every practice, whether in the form of an action or narrative, symbolizes a person's intention or purpose, and if a practice is for the sake of Allah SWT and the Messenger SAW, then the practice is for the sake of Allah SWT and the Messenger SAW. Meanwhile, if the practice is for worldly purposes, then it is the worldly things that one obtains. In other words, an intention is based on an action and if the action is against the Shariah, no matter how good the intention is, it cannot justify the action.

The participant observation carried out by this study showed that the Touch 'n Go eWallet requires a minimum deposit of RM50 in order to obtain the benefit of a RM3 return voucher and this campaign began on 7 December 2021 and ended on 31 December 2021. This shows that the issuer targeted a certain amount of funds to be deposited, and if no amount is targeted then the *e-wallet* issuer will provide benefits to all those who deposit funds and no conditions need to be set. Therefore, the real objective of this *e-wallet* issuer is to encourage the participation of *e-wallet* depositors by providing benefits and a certain amount needs to be deposited into the *e-wallet* account to enjoy the benefits.

Third, this study found that there is a connection between the funds deposited by *e-wallet* depositors and the benefits provided by *e-wallet* issuers. Meanwhile, The Shariah Advisory Council of Bank Negara Malaysia (SAC) opined that there is no connection between the funds deposited by *e-wallet* depositors and the benefits provided by *e-wallet* issuers.

According to the participatory observation, the Touch 'n Go eWallet has benefits provided to *e-wallet* depositors in the form of a RM3 return voucher on the condition that *e-*

wallet depositors deposit at least RM50. Shopee also provides free delivery services on the condition that *e-wallet* depositors make purchases using its *e-wallet* application. This shows that there is a connection between the funds deposited by *e-wallet* depositors and benefits provided by approved issuers.

Fourth, this study also found that *e-wallet* issuers can benefit from *e-wallet* depositors who deposit funds into the trust or deposit accounts under certain circumstances according to the Guidelines issued by BNM. However, The Shariah Advisory Council of Bank Negara Malaysia (SAC) stated that the provisions of the Guidelines clearly do not allow approved issuers to issue e-money with a value greater than the value received. However, according to the Guidelines, the *e-wallet* issuer can still benefit from the funds deposited by *e-wallet* depositors into the trust or deposit accounts under certain circumstances.

This can be proven from the e-money issuer's guide (Payment Systems Policy Department, 2021) concerning small and large schemes. As for small schemes, the party supervising the account must deposit the collected funds into a deposit account in exchange for issued e-money and any proceeds obtained from the funds in the deposit account can be used only for refunds to *e-wallet* depositors or payments to merchants unless the funds exceed the amount of e-money liabilities. As for the big schemes, the party overseeing the account must deposit the collected funds into a trust account in exchange for the issued e-money and any revenue obtained from the funds in the trust account can only be used for refunds to *e-wallet* depositors or payments to merchants, unless the funds exceed the amount of e-money liability arrears.

Fifth, this study found that the contract between the e-wallet depositor and the e-wallet issuer for depositing funds is a *qard* contract, as previously discussed. As for the *qard* contract involving the *e-wallet* depositor, it is only an ancillary contract according to The Shariah Advisory Council of Bank Negara Malaysia (SAC), and differs with the *qard* contract concerning the deposit account offered by banking institutions. It does not lead to the *hakam* related to the *qard* contract becoming void itself because there is no Islamic ruling indicating that the *hakam* will be void if it is an ancillary contract.

Therefore, it can be concluded that the operation of providing benefits to *e-wallet* depositors depositing funds into their *e-wallet* account is a *qard jarra naf'an* contract, which is prohibited by Allah SWT, as discussed earlier.

Conclusion

Operations involving depositing of funds into an account using an *e-wallet* application should receive due legal attention from the relevant authorities. Lack of research aimed at understanding the *e-wallet* operating system also causes difficulty in identifying Shariah issues related to this application. Therefore, the need is for relevant authorities and Muslims, in particular, to ensure that every emerging technology is Shari'a-compliant. The objective of determining whether a commercial (*muamalat*) contract is Shari'a-compliant depends on the implementation of operations identified by this study through participant observation and the content analysis methods. Findings emphasised the importance of clarity when operating a technology because it can affect the contract as well as its validity from an Islamic perspective. Findings also highlighted the issue of *ribawi* contracts in circumstances where *e-wallet* depositors obtain benefits when depositing funds.

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