

E-WALLET: A STUDY ON CONTRACTS INVOLVED WITHIN ITS OPERATIONAL MECHANISM

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Abstract

The use of digital wallet or also known as e-wallet is widely spreading across world and specifically among Muslim in Malaysia without people knowing and understanding the operational mechanism of an e-wallet. Research has shown that the advancements in term of technology that are brought by e-wallet claimed to give a lot of benefits and advantages towards its users. E-wallet can make transactions easier, faster and quicker than before. The use of e-wallet also creates improvements in payments, portability, and cashless transaction. This study aims to identify the concept of e-wallet in term of its definition, operational mechanism and the contracts that are involved within e-wallet. The main instrument used for data collection was journals, library research and Internet. The construction of the instrument is the result of modification of the instruments that have been used by previous researchers and researchers' own design based on the objectives to be achieved. The result shows the right concept of an e-wallet based on its definition as electronic money is a payment instrument that contains monetary value that is paid in advance by the user to the e-money issuer. The user of e-money can make payments for purchases of items and services to vendors who offer the e-money as payment. Besides, writer also finds the contracts involved within an e-wallet namely, wadi'ah contract and qardh contract. The results indicate that e-wallet operational mechanism is not contradict and in accordance to Shariah, hence allowed and permissible. However, further research is needed to identify other factors that could strengthen the effectiveness of this study.

Keywords: e-wallet, financial technology, investment, method, operation, usury.

INTRODUCTION

1.0 Fiqh Muamalat And Technology Development in The Sale Contract Practices

Fiqh muamalat which is one part of Shariah means social relations in a variety of economic and non-economic activities. In the context of economic activity, fiqh muamalat organizes these activities with unique rules and principles. This rule is a provision of Allah (swt) that can certainly benefit the Islamic economic

system as compared to other economic systems. All these privileges will surely keep the Islamic economic system acceptable and applicable. Islamic economic activities cannot be separated from the fiqh muamalat, but these activities must be carefully controlled and guided to keep up with the requirements of Islamic law. (Aunurrochim, 2018).

According to Aunurrochim (2018), Fiqh muamalat can be defined as a knowledge of the practical Islamic law relating to various transactions such as exchange of property (sale, rent, debt and so on), which regulates the relationship between individuals or groups in worldly affairs and social relations with giving payment for the value of things. Therefore, buying or selling through e-wallet mechanism is a good business decision for all involved.

As in 2019, the world has been facing a lot of advancement and development through mankind in technological aspect. Experts and researchers' study, examine and invent countless amount of invention and improvement to contribute benefits and advantages for human. We as human have advanced in numerous fields as well as in economical field. For instance, the improvement that we are having now is the invention of digital wallet or also called as e-wallet. According to The Economic Times (n.a), e-wallet is a type of electronic card which is utilised for transaction made online through a computer or smartphone. In other word, e-wallet is a type of pre-paid account in which a user can store his/her money for future online transaction. The definition of e-wallet can also be obtained through the Cambridge Dictionary which defines e-wallet to store digital cash and online shopping information for the users. Since the advent of the Internet, electronic commerce such as online shopping, has become increasingly common. (Rob von Behren, Jonathan Wall, 2016, p. 10). Although online shopping has become typical, storing digital cash and money to compliment that activity has yet become a common among user's despite of its wide spreading usage. According to Hem, (2016, p. 1) "mobile users can now use their devices due to fact of technology to make money transactions and payments via phone-installed applications". This clearly shows that mobile wallet has its benefits and advantages towards society.

Even though some claim that e-wallet does not comply with Sharia, Azlan (2019, p. 1) states that if the e-wallet provider uses the money of the customer for non-authorized activities and gives a bonus to the customer, it includes a form of loan and is exposed with usury. If so, as e-wallet providers, they violate the rules, and their licenses may be revoked. In other word, if the e-wallet providers or companies run background activities of non-permissible investment by using the pooled money from customers, the permissibility of e-wallet can be questioned as it concerns forbidden element such as usury. Therefore, the

ambiguity of e-wallet operation needs to be considered and investigated to figure the operational mechanism of an e-wallet. For instance, we can study the operational mechanism of an e-wallet by means of looking at the contract involved. This is mainly to figure how does an e-wallet works in term of its operation including its contract between e-wallet providers and users, between e-wallet providers and merchants and between users and merchants.

Despite all the benefits and advantages that e-wallet could offer to its users, it is also important for us as Muslim to analyse and discover the product and method that we are using in other to ensure that it is free from any prohibited elements such as usury and *gharar*.

2.0 E-Wallet: Definition, History Background and Operational Mechanism

To get a better understanding about this, firstly we need to search deeper into the subject which is e-wallet in this case. According to The Sociable (2019), “the type of digital payments can be traced back to 1997, on the occasion of Coca Cola launched a few Helsinki vending machines that allowed customers to buy a can via text messages”. This is assumed to be the source, though very different from nowadays e-wallet transactions. Google was the first major company to launch a mobile wallet in 2011. With NFC (near field communication) technology, consumers could pay, earn loyalty points, and redeem coupons. Despite being used on just one phone model and being only accepted by a handful of merchants, it proved to be very popular. During 2012, Apple's Passbook could be used for boarding passes, fares, and vouchers, although not for mobile payments. Two years later, Apple Pay arrived. Launched in the US, it spread rapidly to the United Kingdom and China. Android and Samsung Pay came in 2015. Soon, mobile devices became the means to buy movie and travel tickets, hotel bookings, and ordering food. By 2003, around 95 million cell phone users had used mobile devices to make purchases. Since then, digital wallets such as GrabPay, Lazada Wallet, PayPal, Touch n Go, Vcash, and other e-wallet providers has made this payment method likely to be used often in transactions.

According to Olsen, Mia & Hedman, Jonas & Vatrappu, Ravi. (2011, p. 161), “an m-wallet is a personalized digital artifact that contains electronic payments instruments such as virtual currencies and payment cards, repository for receipts and tickets, identification cards such as passports, drivers’ licenses and insurance cards, and personal items such as pictures and shopping lists”. This definition of e-wallet tells us that one of its functions is to serve mainly as electronic payment as a replacement to our traditional method of paying and shopping either online or at any physical vendors. It may also contain information in the form of digital such as virtual currencies, receipts and tickets. Aashish Pahwa (2019, p. 1) states

that e-wallet is an online prepaid account used to keep users' money and transact online or offline through a computer or a smartphone whenever needed. This gives us an insight of e-wallet 's convenience as an account that is used to make online or offline transaction at ease without any difficulties. She also mentions that e-wallets are a fast mode of digital transactions.

According to Bank Negara Malaysia, electronic money is a payment instrument that contains monetary value that is paid in advance by the user to the e-money issuer. The user of e-money can make payments for purchases of items and services to vendors who offer the e-money as payment. This definition does not differ much from previous definitions as it is very clear to understand what e-wallet is in the first place. The meaning and functions of e-wallet is mainly as an alternative method of payment and transaction instrument, working either online or offline.

Under mobile or electronic wallet, the individual pre-loads cash in the e-wallet and use it to make payments or transfers. Loading of money is done either electronically using a computer or mobile by means of debiting from a credit card or bank account or physically by handing over cash at a local merchant (point of sale) or at the ATM counters. Without any difficulties, users only require an Internet connection and a mobile or computer. With the technology in place, mobile-based operations through e-wallet have become a mode for financial inclusion and this is mainly since it is very easy and convenient for everyone as majority of people nowadays have mobile phone with them all the time regardless of who or what age they are ranging from adults to even youngest children in any families.

Even though there are charges for usage of mobile/e-wallet, which includes registration fees and cash loading charges (above a limit) towards payment companies or service providers. These charges are at times higher than those for Internet banking. However, the main advantages with e-wallet are that while shopping online, the customers stand to benefit from the concessions and offers from the payment companies in the form of cashbacks and many else. Brandon Gaille (2018) mentions that many electronic wallets offer incentives to encourage users to utilise them instead of traditional payment method. Sometimes the benefits are too good to just waste it off and users would grab the opportunities as much as they can.

2.1 Advantages and Drawbacks of Using E-Wallet

According to Hem Shweta (2016, p. 69) the author explains that smartphone has become essential part of daily life. In other word, mobile phone and smartphone

has become as one of the most important things to carry with by almost everyone regardless their ages. Equally so, most people nowadays have at least a piece of mobile phone with them and use them in almost every activity on their daily life. With regard to this, having a Internet connection on mobile phones also contributes and to add more value to mobile phones is by using e-wallet. Meaning that people may need to bring their mobile phones together whenever they are going outside because is what they need after all. E-wallets have a lot of advantages to offer their clients. First, digitalizing money offers several inherent benefits. It is safer, more convenient, and it speeds up payments compared to physical cash. (Jacie Tan 2019, p. 1)

One of the advantages of using e-wallet is simple accessibility. It is very easy to begin using a mobile wallet for day-to-day transactions. Downloading the software and creating a user ID and password is all people need to do. It is as simple as logging in to their Gmail or Facebook account from their mobile phone. In the occasion of users have an e-wallet, they can limit the number of cards they carry whenever they are travelling. For instance, they may only need to carry the most important card such their identification card and license. They are no longer required to carry a lot of cash with them either. Cash and coins are no longer needed as all they need to do is press the payment receipt on their mobile phone or check their mobile devices to pay for the things they are purchasing. Which means they are no longer carrying a bag of things wherever they go. Next, the benefit is electronic wallets have become widely accepted over the last few years. Majority of locations that accept cars as payment options will allow users to pay with their electronic wallet. Although some stores still use older processing systems, which restrict access to certain products or services, the number of retailers offering payment access in this way continues to increase each year.

Besides, it is also easy to charge money into e-wallet. Users can easily add money to their e-wallet through Internet banking, credit card or debit card. The ability to store these information saves you from the hassles of entering these details any time you make a payment and saves time. In brief, using e-wallet to make transaction is faster and quicker compares to traditional payment method. This is mainly since the interaction between users and merchants have becoming quicker by eliminating the process of handing cash money and receiving balance after payment. The process of creating receipt papers is also eliminated and makes it even quicker. In addition, with so many e-wallets in the country, each e-wallet providers offers some incentives to promote the use of their e-wallet. This may come in the form of instant cashback, reward points, and even daily or weekly challenges that offer more rewards once completed. Many electronic wallets offer incentive to encourage consumers to use them instead of using

traditional payment methods. Users may find discounts that apply to certain purchases such as fuel, food or travel. Some companies may work with users' e-wallet to provide special discounts as well. This means that they have the potential to save money without changing their spending habits. They are just going to change they make their payments.

As for the drawbacks of e-wallet is the number of retailers who accept digital wallet transactions depends on the specific wallet you choose or have. Demonstrating that the usage of e-wallet is quite limited. In 2016, just 36% of merchants approved Apple Pay. 34% of merchants approved PayPal as a form of payment. Just 25% of retailers approved Master Pass. This means that e-wallet is still not fully available worldwide although we can still find many merchants that offer e-wallet as payment in our daily life. Next, using e-wallet still does not eliminate all the security risk. The security of users' smartphones or mobile devices depends on the settings they make and use. If users do not have their device secured with a password of some kind, someone might hack into their devices and possibly have illegal access to their bank account or credit card. There are definite security advantages to consider that make an e-wallet a beneficial technology, even though it needs responsible management. Next, the disadvantage of e-wallet is security. E-wallet providers must ensure that the data of their customers is secured and well protected.

One of the main concerns about the adoption of digital wallet application is will users' data be secure. This is the hurdle and challenges that companies and e-wallet providers must face and as a result, must develop security systems that are as safe and complete as possible in order to avoid potential security issues. Safer instrument will lead to more people participating in this practise. Other than that, system outages are one of the lack in e-wallet. Information for digital wallets is stored on the cloud of business servers; therefore, there is always a risk of system malfunction or shutdown. As a result, companies will not be able to process payment or will become increasingly slow due to high server traffic. This will cause a lot of problems towards every side as the transactions are delayed and everyone is having difficulties in their deals.

To summarise all the advantages and disadvantages of e-wallet are as follows:

1. Fast, quick and smooth transactions between users and merchants.
2. Users do not have to have a saving first in a bank.
3. Practical and easy to carry anytime and anywhere.

As for the drawbacks of e-wallet are as follows:

1. Lack of security.

2. Difficulties to reclaim whenever electronic device is lost or damaged and the e-money could not be replaced or refund.
3. Lack of merchants and vendors which accept e-money as a method of payment.
4. Users tend to spend more and be wasteful.

2.2 Correlation between Money (In Islam) and The Usage Of E-Wallet

The concept of money in Islam is completely different from traditional economics, primarily since Islamic values are based on Sharia. Allah SWT is the exclusive and the supreme owner of all things in this world. In Islam, money (or wealth) is the property held by man as vicegerent of the Giver. It should be used and invested wisely and in accordance with the Sharia, the laws of the Creator. Contrary to the capitalistic ideologies, Islam discourage egotism. Money in Islam performs a "social role" and should be invested to promote socio-economic justice for the benefit of the community. Implementing Islam as a way of life means carrying out all activities in all aspect of life in accordance with Islamic law in order to have a better life in this world and hereafter. Allah SWT has mentioned in Al-Quran, Al-Baqarah, 29 which means:

'He it is Who created for you all that there is on the Earth; He then turned to the sky and ordered it into seven heavens. And He has full knowledge of everything.'

Through the above evidence, Allah SWT created everything in the heavens and the Earth for the benefit of mankind. These can be described as follows:

1. Allah has the absolute owner of all things, man is to be trusted to manage and utilise in accordance with His terms;
2. Property or money as a deposit, an excess of life jewellery, as faith test, and only as a means of worship;
3. Ownership of property should be maintained by a lawful path and not by unlawful path;
4. In his search, do not forget, neglect or abandon worshipers.

The basic tenets of Islamic economic system illustrate those human beings in his position as the caliph of Allah Almighty. On Earth, human has the right and responsibility to own and take advantage of what Allah SWT has created for us. However, the right to own is limited and in line with our responsibilities to act in accordance with the will and law of Allah SWT.

Wealth cannot be concentrated in the hands of a few, and this requires the cooperation of the human in its use. As matter of fact, in the economy, the main

function of money is the medium of exchange. From these main functions are described several other functions such as:

1. Money as a standard of value;
2. Money as a store of value;
3. Money as a unit of account;
4. Money as a standard of deferred payment.

The most fundamental difference between Islamic views on money is Islam views money as a medium of exchange to earn goods so that the needs of life can be fulfilled. According to Islam, money is not commodity objects that can be sold and leased to seek and advantage from it. The use of money as a commodity can lead to usury (*riba*).

As we go deeper into our subject, we can discover and understand the contracts that are involved within e-wallet. It is very important to identify the contracts involved as they are the fundamental principle of its operation mechanism. Besides, it is also crucial to identify whether e-wallet is permissible and allowed by Sharia thus by looking into the contracts we can have better knowledge and understanding. The contract involved between e-wallet providers and users are *wadi'ah* contract and *qardh* contract. In the *wadi'ah* contract, the terms and conditions applied are as follows:

1. The nominal amount of e-money is a deposit that the holder can withdraw or use at any time;
2. The nominal amount of e-money deposited may not be used by the e-wallet providers, except with the consent of the account holder;
3. In the event of a nominal amount of e-money being used by the e-wallet providers on the consent of the account holder, the deed of deposit (*wadi'ah*) is converted into a loan deed (*qardh*), and the obligation of the e-wallet providers is the same as the obligation of the *qardh* agreement;
4. The relevant authority shall restrict the e-wallet providers from using the collected fund from account holder (float fund);
5. The use of funds by the e-wallet providers should not be in violation of the Sharia principles and rules.

In the *qardh* contract, the terms and conditions are as follows:

1. The nominal amount of e-money is debt that can be taken by the holder at any time;
2. The e-wallet providers may use (invest) the money owed by the e-money lender;

3. The e-wallet providers are obligated to repay the principal amount of the e-money holder at any time agreed;
4. The relevant authority should restrict the e-wallet providers from using the loan from the account holder;
5. The use of funds by the e-wallet providers should not be in violation of the Sharia principles and rules.

2.3 Prohibited Elements in Muamalat Concerning E-Wallet Operation

Despite all the advancement and sophisticated programmes and devices used to make instant transaction by users, Muslim users need to ensure that their transactions are free from any forbidden elements such *riba* (usury), *gharar* (uncertainty), *maysir* (gambling), and forbidden products (porks and alcohol). In Al-Quran stated that:

يَا أَيُّهَا الَّذِينَ آمَنُوا لَا تَأْكُلُوا أَمْوَالَكُم بَيْنَكُم بِالْبَاطِلِ إِلَّا أَنْ تَكُونَ تِجَارَةً عَنْ تَرَاضٍ مِنْكُمْ ۖ وَلَا تَقْتُلُوا أَنْفُسَكُمْ ۚ إِنَّ اللَّهَ كَانَ بِكُمْ رَحِيمًا

Which means: “O you who believed, do not consume one another’s wealth unjustly but only (in lawful) business by mutual consent. And do not kill yourselves (or one another). Indeed, Allah is to you ever Merciful”.

Riba literally means ‘excess’. Technically, it refers to an extra guaranteed amount paid or received (over and above the principal in a loan transaction) or in exchange of a commodity. According to Al-Quran, Allah SWT mentioned:

الَّذِينَ يَأْكُلُونَ الرِّبَا لَا يَقُومُونَ إِلَّا كَمَا يَقُومُ الَّذِي يَتَخَبَّطُهُ الشَّيْطَانُ مِنَ الْمَسِّ ذَلِكَ بِأَنَّهُمْ قَالُوا إِنَّمَا الْبَيْعُ مِثْلُ الرِّبَا ۗ وَأَحَلَّ اللَّهُ الْبَيْعَ وَحَرَّمَ الرِّبَا ۗ فَمَنْ جَاءَهُ مَوْعِظَةٌ مِنْ رَبِّهِ فَانْتَهَىٰ فَلَهُ مَا سَلَفَ وَأَمْرُهُ إِلَى اللَّهِ ۗ وَمَنْ عَادَ فَأُولَٰئِكَ أَصْحَابُ النَّارِ ۗ هُمْ فِيهَا خَالِدُونَ

Which means: “As for those who devour interest, they behave as the one whom Satan has confounded with his touch. Seized in this state they say: “Buying and selling is but a kind of interest,” even though Allah has made buying and selling lawful, and interest unlawful. Hence, he who receives this admonition from his Lord, and then gives up (dealing in interest), may keep his previous gains, and it will be for Allah to judge him. As for those who revert to it, they are the people of the Fire, and they in it shall they abide”.

The Quranic verse has warned that those who practise usury are at war with Allah SWT & His Messenger. The word *riba* denotes increase, addition or excess. *Riba* refers to a stipulated increase over and above the loan amount that a debtor agrees to pay to his creditors in relation to a specific period. Charging

an extra amount for the time, irrespective of the outcome of the enterprise is considered injustice. The borrowed money would have to be invested and combined with efforts and there could be the possibilities of profit/loss. A fund provider cannot claim a certain fixed rate of interest irrespective of the performance of the investment. The quran & the ahadith have forbidden usury (*riba*) in the strongest terms. During the time of Prophet Muhammad pbuh. *riba* was charged in several ways. Two main kinds of *riba* at that time are *riba al-nasiah* and *riba al-fadl*.

Gharar or lexical meaning to deceive, cheat, delude, lure, entice, & overall uncertainty. *Gharar* is whose consequences are hidden. Sale of probable items whose existence or characteristics are not certain, due to the risky nature that it makes it like gambling. The main reason for prohibition of *gharar* is the existence of vagueness in rights and liabilities that can be exploited to deceive people into thinking that they are getting a better deal, which is not the case. Ambiguity in a contract may arise when its pillars & conditions are not clearly defined. *Gharar* also arise in the occasion of certain product is sold without label.

Maysir literally means “a way of easily obtaining something without any effort”. The term *maysir* applies to all activities in which a person wins or loses mere chance. It includes all kinds of gambling. In gambling the winner and loser win or lose by mere chance. The winner does not lawfully earn what he has won, and the loser loses his money without a fair compensation. Gambling allows the winner to consume others property unlawfully and unjust due to the fact that in gambling there is no exchange of counter values between the parties. Islam encourages people earn their living through honest effort and prohibits appropriating others property by chance.

Trading goods which are normally used to commit or encourage sins is haram. Examples of such include swine, intoxicants, generally prohibited foods, as well as idols, crosses, statues, and the like (Al-Qardawi, 1997). Permitting the sale or trade of such articles implies promoting and propagating them among people, and consequently encouraging them to do what is haram. The most general confusion in the society is working for marts and established supermarkets in which alcohol is traded every day. Prohibiting haram goods to a greater extent will prevent people from indulging in them. As an effect of this prohibition, they therefore pave the route to purely halal industries and products. The Prophet (peace be upon him) once said,

إن الله ورسوله حرما بيع الخمر، والميتة والخنزير والأصنام

“Surely, Allah and His Messenger have prohibited the sale of wine, the flesh of dead animals, swine and idols,” (Narrated by Al-Bukhari and Muslim).

And,

"When Allah prohibits a thing, He prohibits (giving and receiving) the price of it as well." (Narrated by Ahmad and Abu Dawud)

The sentence above tells us that Allah prohibits Muslim to do trades in unlawful elements such mentioned before. Whereby, the content must be free from any prohibited elements. There is also evident from the prophetic tradition which mentions:

"The Prophet prohibited two sales in one sale". (Hadith narrated by Abu Hurayrah)

The Prophet also said:

"One amongst you should not enter into a transaction when another is bargaining". (Hadith narrated by Ibn 'Umar)

One of the purposes of this writing is to analyse the transparency and validity of e-wallet in Malaysia. To fulfil this purpose, the writer intended to do a research on how the e-wallet works and the way companies in Malaysia run their services through e-wallet. This may help to understand deeper into our subject, which is electronic wallet. For instance, writer may focus on the operational mechanism used in using e-wallet. Starting from the first interaction with users on platforms such as mobile phone application or through computer until the end of transaction made by users. While the processes may look simple and easy, they must be looked closely and precisely to analyse them. Firstly, users may acquire the service of electronic wallet by downloading the e-wallet providers' application. For example, there are Boost, Grabpay, Touch 'n Go eWallet, Razer Pay and vcash. All these can be downloaded through the Apple Appstore and Google Playstore by just a click of button. As the application loaded into users' mobile phones, they can first register their account with desired usernames and passwords.

It is worth mentioning that e-wallet providers need to disclose every term and condition of their services upon customers and users. This is mainly to avoid any *ghabn* (deceive) made by the e-wallet providers thus making the service questionable and not regarded as permissible under Islamic teachings. After everything has been set up, users are pretty much ready to use their new-way-of-making-transaction application. All the steps that have been mentioned previously have been analyse and there is not any suspicious nor prohibited elements involved. Next, users may add money into their e-wallet by using several ways. For instance, they can add money into their e-wallet by buying top-ups cards at vendors which provided the mentioned cards, or by linking their e-

wallet to their bank account or linking them to their credit card and debit card. Whichever the ways, the sole purpose is to add money into their e-wallet in order to start using and spending them in various ways.

The next steps need to be studied and evaluated carefully as they consist of various operational mechanisms in finance and Islamic finance. According to Abdurahman (2019, p. 8.), he says that we need to understand that the origin of a transaction is permissible until such time as it is changed by involving any illegal element. This means that the operational mechanism of e-wallet is considered right and allowed according to Sharia if it is free from any prohibited elements in its contract. As mentioned before, users have added their money into their e-wallet virtually. Technically, users' money is pooled in a special account managed by the e-wallet providers.

According to the Central Bank of Malaysia, an issuer of e-money should be careful in handling the funds collected from users to ensure timely repayment to users of the e-money balances and payment to merchants. In other words, they also mention that an issuer of a large e-money scheme will deposit in a timely manner the funds collected in return for the e-money issued in a trust account with a licensed institution and governed in a few manners. First, the trust account shall be established in accordance with the Trustee Act 1949 and secondly the funds can only be used to refund to users and to make payments to merchants. This can be clearly understood that e-wallet providers do not have absolute power and will only use collected funds from users' money. Most importantly, the funds are well managed and protected from any prohibited elements as mentioned before.

Other than that, e-wallet providers are also prohibited to invest the collected funds from users' money into any illegal activities such as illegal investment. This is an illegal action if made by e-wallet providers and they may breach the contract by doing as told. Besides, investing collected money into illegal activities may affect the users' money in terms of their purity from any forbidden elements. Saturna Capital mentions that investments that are universally considered inappropriate by Sharia scholars are businesses whose primary business practices contradict with Islam's core principle, including alcohol production or marketing, gambling, or gaming, traditional interest-based financial services, pork and pork products, and pornography. The next process is the purchasing process made by users. This process involves the direct interaction between users and vendors. For instance, users may shop at physical stores or even buy products online through the Internet. The choices are limitless. After choosing the products and items that they want to buy, users may put their e-wallet information on the checking out process. It could be as simple

as putting in few lines of codes or even by scanning QR-code generated by the vendors in order to make payment. After that, e-wallet providers are bound to complete the transaction by transferring the amount stated in the receipt of purchase to merchants. The transactions are very fast and instantaneous. Once the merchants have received the payment, the transaction is considered done and complete. Users may walk out with their items and completed transaction without using a single cash of money rather using virtual money through e-wallet.

2.4 E-Wallet's Significance Towards Sustainable Development Goal 8: Decent Work and Economic Growth

The Sustainable Development Goals (SDGs) are a global agenda adopted by countries with a view to end poverty, protecting the environment and ensure that all people enjoy peace and prosperity. The goals and priorities are universal, which ensures that they apply to all countries around the world, not just to poor countries. One of the goals is "decent work and economic growth". The main purpose of this goal is to achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high value added and labour-intensive sectors.

As matter of fact, it is the writer's intention to associate the content of this writing with the sustainable development goal mentioned. The research and analysis that was made regarding the e-wallet in term of its definitions, historical background, operational mechanism, and views from Islamic perspective are to promote the usage of e-wallet among Muslim specifically and others as well. The main reason is nonetheless to increase the technological aspect of our economy and e-wallet certainly plays a good part in that. Simplifying the process of transactions making them faster and quicker does give positive impact towards our economy. Besides, this may also eliminate any human error during making transactions and smoothen them consistently. It is also worth to mention that e-wallet also supports inclusive and sustainable business practises meaning that most companies and merchants in Malaysia can make e-wallet as a method of payment applicable across the country regardless any type of transactions and goods involved.

CONCLUSION

To conclude, Islam views e-wallet as a product of new social phenomena. E-wallet is viewed as something new and fresh as an invention made by human in this world. Even though, e-wallet is claimed to be as something that is permissible and allowed, since everything in muamalah is allowed as long as it

is in accordance with Sharia and not contradict with any laws. Besides, e-money is just a new form of money that is constantly changing. To matter of fact, Islam does not deny the pursuit of profit from e-money services, as the only matter that is not allowed is to buy money with money but in this e-money the users entertain the convenience of transaction services provided by the e-wallet providers. E-wallet has become an important part in our daily life especially in making transaction faster and quicker than before. This service also offers a lot of benefits and advantages towards its users. For instance, faster transaction, easy to carry, and more secured payment. Despite other claims that say e-wallet is not permissible in accordance with Sharia, since it is involved with prohibited elements such *riba*, *gharar* and *maysir*. These claims may also be considered and looked by Muslims if there is such deep explanation and research thoroughly made to prove those claims. This is according to Al-Quran, An-Nisa: 29:

يَا أَيُّهَا الَّذِينَ آمَنُوا لَا تَأْكُلُوا أَمْوَالَكُم بَيْنَكُم بِالْبَاطِلِ إِلَّا أَنْ تَكُونَ تِجَارَةً عَنْ تَرَاضٍ مِنْكُمْ ۚ وَلَا تَقْتُلُوا أَنْفُسَكُمْ ۚ إِنَّ اللَّهَ كَانَ بِكُمْ رَحِيمًا

Which means: *'Believers! Do not devour one another's possessions wrongfully; rather than that, let there be trading by mutual consent. You shall not kill yourselves. Sure, Allah is ever Compassionate to you.'*

From the above Quranic verse, shows that Muslim can be economically competent, if they are right and not done in the wrong way according to the Sharia, as well as based on mutual consent. This proof in muamalat also reinforced by the Hadith of The Messenger of Allah (peace be upon him) narrated by Muslim from Aishah and Tsabit from Anas which means:

'You people know more about the issues of the world'

The supporting proof of permissibility of e-wallet can also be obtained from the *qawa'id fiqhiyyah*:

الثابت بالعرف كالثابت بالشرعي

Which means: *'Something that is based on custom is like something that is based on Sharia'*

According to the explanation given above, writer recommends that e-wallet is permissible and allowed in accordance with Sharia and allowed to be used and practised by Muslims in Malaysia as the contract involved are as follows; *wadhiah* contract and *qardh* contract.

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Penafian

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