

Investment in Non-Fungible Token (NFT) Digital Assets from Hadith Perspective: An Analysis of *Gharar* and *Maisir* Elements

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Abstract

The advancement of blockchain technology has introduced new digital economic instruments, notably Non-Fungible Tokens (NFTs), which function not only as representations of digital asset ownership but also as investment vehicles with highly volatile values. This development has sparked debates within Islamic law, particularly regarding the presence of *gharar* (excessive uncertainty) and *maisir* (speculative gambling) in NFT investment practices. This study examines the legal status of NFT investment from the perspective of ḥadīth-based mu'āmalah and analyzes the extent to which *gharar* and *maisir* are inherent in its transactional mechanisms. Employing a qualitative library research approach, this study uses descriptive-analytical methods to examine Prophetic ḥadīths prohibiting *gharar* and *maisir*, and contextualizes them within the technical characteristics and transaction structures of NFTs. Data sources include classical ḥadīth collections, ḥadīth commentaries, fiqh al-mu'āmalah literature, and relevant contemporary scholarly works. The findings indicate that NFTs, as digital assets, possess definable objects, ownership clarity, and verifiable delivery through blockchain technology, and therefore do not inherently constitute *gharar*. However, the use of cryptocurrency, extreme price volatility, and short-term speculative behavior may introduce elements of *gharar* and *maisir* if not accompanied by clear valuation, utility, and investment objectives. Consequently, the permissibility of NFT investment cannot be generalized but must be assessed contextually to uphold justice and the protection of wealth (ḥifẓ al-māl).

Keywords: Non-Fungible Token (NFT), Ḥadīth Mu'āmalah, *Gharar*, *Maisir*.

Introduction

The advancement of blockchain technology has led to the emergence of various digital economic instruments, one of which is the Non-Fungible Token (NFT), functioning as a representation of ownership of unique and verifiable digital assets (Arif et al., 2023, p. 1766). In 2021, global NFT trading experienced substantial growth. According to a report by Non Fungible Corporation (2021), the total transaction value of NFT sales and resales reached USD 17,694,851,721. In Indonesia, NFTs have also gained significant popularity, particularly following the widely publicized case of Ghazali, who reportedly earned billions of rupiah through the sale of NFT works on the Open Sea platform (Fahmi, 2023, p. 140).

NFTs are a form of crypto-assets created and operated through smart contract mechanisms on the Ethereum blockchain network. The NFT concept was initially

introduced through Ethereum Improvement Proposal (EIP)-721 and later refined in EIP-1155. Fundamentally, NFTs differ from conventional cryptocurrencies such as Bitcoin. Bitcoin is fungible, meaning each unit has identical value and can be exchanged interchangeably. In contrast, NFTs possess inherent uniqueness, rendering them non-interchangeable and making them an effective medium for representing individual identity and ownership of digital assets (Wang et al., n.d., p. 2).

Along with their increasing utilization in art, entertainment, and the creative economy, NFTs have evolved into investment instruments traded at fluctuating values and oriented toward profit generation. In practice, NFT transactions predominantly use cryptocurrencies—particularly Ethereum—as a medium of exchange. Cryptocurrencies such as Bitcoin have not received formal recognition within the Indonesian legal system, as they are considered inconsistent with Law No. 7 of 2011 and Bank Indonesia Regulation No. 17 of 2015. Furthermore, the Indonesian Council of Ulama (Majelis Ulama Indonesia, MUI) has issued a fatwa declaring the use of cryptocurrencies unlawful, not only as a means of payment but also as assets or digital commodities. This ruling is grounded in the non-physical nature of cryptocurrencies, which are deemed incapable of tangible delivery and thus potentially involve elements of uncertainty (*gharar*) in transactions (Sundari et al., 2022, p. 1). This phenomenon reflects a paradigmatic shift in investment from tangible assets to non-physical digital assets, while simultaneously posing new challenges within the framework of Islamic law.

Imam al-Shāfi'ī asserts that a sale transaction is permissible only when the object of sale is clearly known or can be observed beforehand, emphasizing that the validity of a contract depends on the clarity of the object's characteristics, type, and attributes. Meanwhile, Imam Abū Ḥanīfah maintains that a sale may be deemed unlawful if the traded object fails to generate public benefit and instead results in harm or detriment (Umam et al., 2025, p. 20). These juristic perspectives provide an essential foundation for evaluating NFT investment practices, particularly as such transactions involve cryptocurrencies as a medium of exchange, thereby introducing elements of ambiguity (Rindika et al., 2024, p. 10).

In Islamic scholarly tradition, *ḥadīth* constitutes a primary normative source after the Qur'ān in regulating *mu'āmalah* activities. Prophetic traditions prohibiting transactions involving *gharar* and speculative practices serve as ethical and legal foundations for assessing the validity of economic transactions (Basyariah, 2022, p. 40). Consequently, *ḥadīth*-based analysis becomes a crucial instrument for examining the compatibility of NFT investment practices with Shari'ah principles, particularly in identifying the presence of *gharar* and *maisir* in digital asset transactions.

Several studies suggest that NFT transactions fulfill the essential pillars (*arkān*) and conditions (*shurūṭ*) of sale (*bay'*) in Islamic jurisprudence, with NFTs classified as *māl ma'nawī* that can be owned and utilized. The use of cryptocurrency in NFT

transactions is considered valid as *māl* and is analogized to the contract of *hiwālah*, while the contracting parties and contractual expressions (*ṣighah*) comply with Shari'ah requirements applicable to electronic transactions (Fahmi, 2023). Moreover, NFTs may be designated as waqf assets, provided they meet the conditions of *mauqūf*, including Shari'ah compliance, clear description and type, and full ownership of copyright by the creator as the *wāqif* (Arif et al., 2023, p. 1785). Digital assets can thus be legitimately conceptualized within Islamic jurisprudence through the application of classical *mu'āmalah* principles, provided they satisfy the criteria of *māl* across juristic schools, are socially recognized (*'urf*), free from *ribā* and *gharar*, and aligned with Islamic principles of ownership (Tahir & Sawari, 2025, p. 82). However, from the perspective of Islamic economic law, the sale of NFTs not owned by the seller – such as cases identified on the Curate marketplace – is deemed impermissible, as it violates the principles and conditions of sale contracts, particularly regarding ownership of the transaction object, and involves harm (*maḍarrah*) due to the trade of unlawfully acquired assets, such as those obtained through seizure or theft (Umam et al., 2025, p. 26).

Despite the growing body of literature on NFTs within Islamic legal discourse, a methodological gap remains. Studies examining NFT investment through thematic *ḥadīth* analysis – particularly those focusing on the identification and evaluation of *gharar* and *maisir* – are still limited. Yet, *ḥadīth* functions not only as a source of legal legitimacy but also as a repository of ethical values and prudential principles for responding to contemporary digital economic phenomena. The absence of in-depth *ḥadīth*-based studies has resulted in the lack of comprehensive parameters for assessing NFT investment practices from the perspective of the Prophetic Sunnah. Therefore, this study aims to analyze NFT investment practices through a *ḥadīth*-based lens in order to determine their compatibility with Islamic *mu'āmalah* principles, particularly concerning the prohibition of *gharar* and *maisir*.

Research Method

This study adopts a qualitative approach employing descriptive-analytical methods to examine the phenomenon of Non-Fungible Token (NFT) digital asset investment from a *ḥadīth*-based perspective. The research is designed as a library study, given that the object of analysis consists of conceptual frameworks, normative evidences, and scholarly opinions derived from classical Islamic texts and academic literature. Data were collected through an extensive review of relevant primary and secondary sources, including *ḥadīth* compilations, *ḥadīth* commentaries (*sharḥ al-ḥadīth*), *fiqh al-mu'āmalah* literature, academic books, peer-reviewed journal articles, theses, dissertations, encyclopedias, and credible online sources. All collected data were analyzed descriptively and analytically to identify and examine the presence of *gharar* and *maisir* in NFT investment practices and to assess their compatibility with

mu'āmalah principles as articulated in the Prophetic traditions (Febriandika & Abdurrahman, 2022, p. 3).

The data analysis in this study was conducted in three stages. First, data reduction, which involved selecting, focusing, and simplifying the collected data to ensure their relevance to the research objectives. At this stage, the analysis focused on NFT investment practices, the characteristics of NFT transactions, and Prophetic *ḥadīths* concerning the prohibition of *gharar* and *maisir* in *mu'āmalah*. Data not directly related to the analysis of *gharar* and *maisir* were excluded. Second, data display, which entailed organizing the reduced data into a systematic and coherent analytical narrative. The data were presented through an exposition of NFT investment characteristics, the classification of relevant *ḥadīth* texts on *mu'āmalah*, and an analytical linkage between NFT investment practices and the *ḥadīth*-based prohibitions of *gharar* and *maisir*.

This stage aimed to construct a comprehensive understanding of the position of NFT investment within a *ḥadīth* framework. Third, conclusion drawing, which involved synthesizing the findings derived from the analyzed data. At this stage, the study formulated comprehensive conclusions regarding the presence of *gharar* and *maisir* in NFT investment practices and their implications for the Shari'ah compliance of NFT investments based on a *ḥadīth*-centered *mu'āmalah* perspective. The conclusions were developed in an integrated manner and are academically accountable (Nurjaman et al., 2022, p. 15).

Result and Discussion

The Concept of Non-Fungible Token (NFT) Digital Asset Investment

Non-Fungible Tokens (NFTs) represent a derivative product of cryptocurrency technology, developed through smart contract mechanisms on the Ethereum blockchain. NFTs are characterized by their uniqueness and non-fungibility, enabling the specific and individualized identification of digital assets. Through smart contracts, NFT creators can verify the authenticity, existence, and ownership of digital assets represented in various forms, including videos, images, digital artworks, and promotional content. Beyond serving as representations of digital ownership, NFTs also provide automated royalty mechanisms, allowing creators to receive compensation from every subsequent resale in the NFT marketplace. Narrative value (storytelling), liquidity, and interoperability further position NFTs as instruments with the potential to support intellectual property protection. Although technically represented by relatively simple digital code, the economic value of NFTs is largely determined by digital scarcity, which plays a crucial role in sustaining the stability and market price of non-fungible virtual assets (Fahmi, 2023, p. 142).

Unlike conventional crypto-assets, NFTs are embedded with unique digital signatures that render them non-interchangeable, ensuring that each NFT possesses a distinct value even when the displayed digital content appears similar. NFTs grant full

ownership rights over the token to their holders, allowing them to be understood as digital assets with distinctive identities – analogous to fingerprints – that guarantee authenticity and ownership (Umam et al., 2025, p. 24). In investment practice, the initial step involves purchasing NFTs from their creators or current owners, typically through blockchain-based marketplaces such as OpenSea. The motives for acquiring NFTs vary: some individuals purchase NFTs for personal collection and aesthetic appreciation, while others acquire them as investment instruments, anticipating future value appreciation and financial returns (Ibrahim, 2023, p. 54).

NFT transactions are conducted by uploading digital files to blockchain-based marketplaces, where they are recorded in a digital ledger and converted into NFTs tradable using cryptocurrencies. All transactions are automatically and transparently recorded on the blockchain, while creators retain copyright over the underlying digital works. NFT transactions operate through smart contracts adhering to standards such as ERC-721 and ERC-1155, which enable traceable ownership of digital assets. NFT trading commonly takes place on specialized marketplaces such as OpenSea, requiring users to possess digital wallets and Ethereum balances to execute transactions and receive royalties from secondary sales (Febriandika & Abdurrahman, 2022, p. 6). NFT prices vary widely and are influenced by factors such as creator reputation, digital scarcity, and prevailing market trends (Umam et al., 2025, p. 24).

In practical terms, NFT transactions involve setting up a digital wallet (e.g., MetaMask), purchasing cryptocurrency (typically Ethereum), connecting to a marketplace platform, and selecting NFTs for purchase via auction or direct sale. Once the transaction is completed, ownership of the NFT is recorded in the buyer's account. From an investment perspective, NFTs with strong fundamental value – such as Bored Ape Yacht Club, CryptoPunks, and Mutant Ape Yacht Club – are often regarded as more viable investment assets (Ibrahim, 2023, p. 57).

Ḥadīth-Based Mu'āmalah on *Gharar*

Gharar refers to transactions characterized by uncertainty and ambiguity that may result in harm to one of the contracting parties. Due to its potential to generate injustice (*ẓulm*), transactions involving *gharar* are prohibited in Islam (Zulfahmi & Maulana, 2022, p. 141). Imām al-Nawawī, in his commentary on *Ṣaḥīḥ Muslim*, emphasizes that transactions containing *gharar* constitute a central issue in Islamic commercial law.

The prohibition of *gharar* is explicitly stated in several Prophetic traditions. Among them is the ḥadīth narrated by Abū Hurayrah, recorded in Sunan Abī Dāwūd (no. 2932), in which the Prophet ﷺ forbade sales involving *gharar* and *bay' al-ḥaṣāh* (transactions determined by the casting of stones). A similar narration appears in *Ṣaḥīḥ Muslim* (no. 2783), where the Prophet ﷺ prohibited both *bay' al-ḥaṣāh* and *bay' al-gharar* (Muchtar, 2017, p. 86).

These prohibitions are further reinforced in other ḥadīth collections, including Musnad Aḥmad and Sunan Ibn Mājah (no. 2185). Classical scholars explain that *gharar* encompasses transactions involving objects whose existence, outcomes, or deliverability are uncertain, such as selling unborn animals, lost property, or goods whose quantity or quality is unknown (Hamnah, 2021, p. 95). Another narration from Ibn ‘Umar condemns the pre-Islamic practice of *ḥabal al-ḥabalah*, which involved exchanging an unborn camel fetus for an older camel—an act prohibited due to its inherent uncertainty and potential harm.

Based on textual (*matn*) and chain (*sanad*) analysis, these ḥadīths are classified as *ṣaḥīḥ*. Their content aligns with the Qur’ān, authentic Sunnah, and universal Shari‘ah principles, emphasizing honesty and trustworthiness in *mu‘āmalah*. The continuous chains of transmission (*ittiṣāl al-sanad*) and the reliability (*thiqqah*) of the narrators further establish their legitimacy as authoritative legal evidence in Islamic commercial jurisprudence (Nasution et al., 2021, p. 157).

Analysis of *Gharar* and *Maisir* Elements in NFT Investment

The emergence of NFTs is inseparable from the rapid expansion of cryptocurrency usage. Through blockchain technology, artists distribute digital artworks as CryptoArt, transforming them into scarce and tradable NFTs with market value (Ibrahim, 2023, p. 49). According to the legal maxim that all *mu‘āmalah* activities are permissible unless explicitly prohibited, investments in assets such as gold, property, artworks, and NFTs are fundamentally allowed, provided they comply with ethical and legal standards and remain free from *gharar*, *maisir*, *ribā*, and other prohibited elements (Syafitri, 2020).

In Islamic jurisprudence, *gharar* encompasses uncertainty related to the contract, transaction object, or the quality and quantity of goods. It is commonly classified into four categories: (1) uncertainty due to non-existence of the object, (2) ambiguity in the object’s attributes, (3) inability to deliver the object, and (4) price uncertainty. When applied to NFT transactions, these categories are not fully satisfied. NFTs possess identifiable objects in the form of digital assets stored on the blockchain, clear characteristics through metadata, transferable ownership upon payment, and explicitly stated prices denominated in cryptocurrency, particularly Ethereum. Nevertheless, the use of cryptocurrency itself introduces potential *gharar*, as crypto-assets lack physical form, rely heavily on trust, and exhibit extreme price volatility, resulting in uncertainty regarding value (Ibrahim, 2023, p. 62).

The degree of *gharar* in crypto-assets and NFTs varies depending on asset characteristics, market liquidity, and information transparency. Sharp price fluctuations—common in crypto markets—may approach *gharar fāḥish* when asset values become highly unpredictable, especially in the presence of *jahālah*, such as unclear project fundamentals and uncertain regulatory frameworks. However, not all

volatility constitutes *maisir*. In certain contexts, speculation may function as part of price discovery in high-risk investments, similar to venture capital. Yet, when trading activities focus solely on short-term price movements without consideration of utility or real value, they shift toward *maisir*, which is prohibited (Aulia, 2025, p. 328).

Maisir refers to transactions driven by chance and speculative gain without productive economic activity. In NFT investment, *maisir* is not inherent to the asset itself but may arise from transactional behavior. NFTs can be analogized to collectible investments—such as artworks or rare vehicles—whose values are influenced by scarcity and market appreciation rather than pure gambling. Nevertheless, *maisir* emerges when NFTs are traded purely for short-term speculative profit without rational investment objectives or utility considerations (Ibrahim, 2023, p. 64). Given the novelty and ongoing evolution of NFTs, their utilization requires prudence, and transactions should be limited to practices aligned with Shari‘ah principles and free from doubtful (*shubha*) elements (Boudkhil, 2025).

Overall, NFTs constitute a modern *mu‘āmalah* instrument that is conditionally permissible in Islam. While NFTs themselves do not inherently contain *gharar*, the use of volatile cryptocurrencies and speculative trading patterns introduces risks that necessitate careful evaluation. The permissibility of NFT investment must therefore be assessed contextually, considering asset characteristics, transactional mechanisms, and investor behavior, in order to uphold justice and the protection of wealth (*hifz al-māl*).

Implications of Ḥadīth-Based Analysis for NFT Investment Practices

When NFT transactions are examined through the lens of *ḥadīths* prohibiting *gharar*, it becomes evident that NFTs may involve *gharar* if they fail to meet principles of clarity (*ta‘ayyun*) regarding object, value, and benefit. While NFTs offer technical advantages such as uniqueness, blockchain-based ownership records, and transactional transparency (Fahmi, 2023, p. 142), technical clarity alone is insufficient to eliminate *gharar* if economic value depends predominantly on speculative factors such as market trends, creator popularity, narrative appeal, and anticipated price appreciation. This situation generates *jahālah* regarding the real utility and value of NFTs at the time of contract, particularly when NFTs are traded primarily for capital gains rather than artistic appreciation.

Auction-based mechanisms and extreme price volatility further reinforce *gharar*, especially when buyers lack adequate information about the intrinsic value of digital assets (Ibrahim, 2023, p. 57). Although NFTs grant token ownership and potential royalties, such rights are often limited and may not equate to full copyright ownership, leading to misunderstandings among contracting parties. Substantively, this resembles prohibited *gharar*-based transactions mentioned in *ḥadīths*, such as selling unborn animals or selling with an uncertain outcome, where future benefits

cannot be objectively guaranteed (Hamnah, 2021, p. 95). Conversely, when NFTs are traded with clear ownership rights, defined benefits, and without excessive speculation, the element of *gharar* can be minimized, bringing transactions closer to the ethical ideals of honesty and trustworthiness emphasized in authentic Prophetic traditions.

Conclusion

Based on the analysis of Prophetic ḥadīths prohibiting *gharar* and *maisir* in relation to Non-Fungible Token (NFT) investment practices, this study concludes that NFTs represent a contemporary *mu'āmalah* instrument that is not inherently contrary to Islamic Shari'ah. From the perspective of transaction objects, NFTs possess identifiable forms, attributes, ownership mechanisms, and delivery systems facilitated by blockchain technology, and therefore do not automatically fall within the category of prohibited *gharar*. However, the use of highly volatile cryptocurrencies as a medium of exchange introduces significant potential for *gharar* and *jahālah*, particularly due to the absence of clear underlying assets. Moreover, *maisir* is not intrinsic to NFTs as assets but rather emerges from speculative trading patterns oriented toward short-term gains, without regard for real utility or value. Consequently, the permissibility of NFT investment from a ḥadīth-based perspective must be evaluated contextually by considering asset characteristics, transactional structures, and the intentions and understanding of market participants, to ensure alignment with the principles of honesty, prudence, and the protection of wealth (*hifẓ al-māl*) as core objectives of Islamic law.

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