
| RESEARCH ARTICLE

Islamic Fiqh Views on E-Commerce

Nahlah¹ ✉ Mukhtar Lutfi² and Nasrullah Bin Sapa³

¹*Department of business administration, Politeknik Negeri Ujung Pandang, Makassar and Indonesia, Indonesia*

²³*Universitas Islam Negeri Alauddin Makassar, Indonesia*

Corresponding Author: Nahlah, **E-mail:** nahlah@poliupg.ac.id

| ABSTRACT

The development of e-commerce continues to increase from year to year following the development of information and communication technology. E-commerce has had a significant impact on various sectors. E-commerce can reduce the flow of human traffic but increase the flow of goods traffic. In the modern era, humans have felt comfortable with this e-commerce. Just by being at home, various types of needs can be ordered through an online application and the items needed arrive at the buyer's house. For companies, e-commerce can improve efficiency and productivity. For the community, e-commerce can help increase economic growth and business opportunities. But at the same time, it poses challenges and problems in terms of security and trust. And is e-commerce not against Islamic law? This study examines how Islamic fiqh views e-commerce or online shop businesses whose data is obtained from related journals in 2012 – 2022. The method used in this study is the Systematic Literature Review (SLR) method. The SLR method is used to identify, review, evaluate, and interpret all available research with topic areas of interest to phenomena, with specific relevant research questions. The result is e-commerce is identical to the as-salam trade (buying and selling in fiqh muamalah), namely the purchase of goods received after payment is made up front in cash and is considered to meet the requirements of as-salaam.

| KEYWORDS

E-commerce; fiqh's view; online shop; fiqh muamalah

| ARTICLE INFORMATION

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1. Introduction

E-commerce or electronic commerce, also known as e-business, refers to the transaction of goods and services through electronic communications (Tian, 2006) or the sale of goods over the internet (Simakov, 2020). In a broader sense, e-commerce can be interpreted as the use of electronic means of transmission to participate in the exchange, including the purchase and sale of goods and services, which requires transportation, both physically and digitally, from one place to another (Simakov, 2020).

E-Commerce is a routine business exchange using Electronic Data transmission Interchange (EDI), email, electronic bulletin boards, facsimile machines, and Electronic Funds (Supra Yoga Pratama, 2016). In the last decade, the essence, function, and benefits of e-commerce, which is a current business trend, have attracted worldwide attention not only from practitioners but also scientists. Therefore it is very interesting to know the historical origins of the formation of e-commerce, its development until now, and how Islamic fiqh views this e-commerce. An analysis of e-commerce in the past will determine the assessment of e-commerce in the future.

The first generation of e-commerce began with the advent of electronic data interchange in the 1960s. EDI or Electronic Data Interchange, also Electronic Document Interchange) is the process of transferring structured data in an agreed standard format from one computer system to another in electronic form. This electronic data exchange turned out to increase the accuracy and efficiency of ordering inventory items until later developing into new electronic markets containing industrial communities of

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customers, suppliers, producers, and network facilitators. EDI then became an important value in trade partnerships. By definition, Electronic Data Interchange is the electronic transmission of information and documents such as invoices, purchase orders, or bills of lading between computer systems in different organizations based on a standard, structured, machine retrievable format (Yazdanifard et al., 2012).

The development of electronic data exchange made companies compete with each other to become market leaders and gain competitive advantage with different strategies (Yazdanifard et al., 2012). Technological advances make e-commerce grow rapidly with various activities using the internet, such as; online banking, online sales, and purchases, knowing employees, and more.

In earlier years before the 1960s, firms used to exchange documents such as invoices, purchase orders, and bills of lading, which contain information like item numbers, descriptions, prices, and quantities, but there were spending a lot of time and money entering data into their computers, printing paper forms, and then reentering the data on the other side of the transaction. With the help of EDI, companies are able to reduce errors, avoid printing and mailing costs and eliminate reentering of data. The technology has been adopted by many businesses worldwide as a vehicle to eliminate paper works associated with business transactions, thereby eliminating errors caused by entering data manually (Yazdanifard et al., 2012).

2. Literature Review

2.1 Types of E-Commerce

Types of e-commerce according to Traver & Laudon (2014);

1. Business to Consumer (B2C)
B2C is an e-commerce type that is common and occurs a lot, namely online sales business of the business unit (company) to individual consumers.
2. Business to Business (B2B)
B2B type is an e-commerce type that runs a sales business online from the business unit (company) to other business units (companies).
3. Consumer to Consumer (C2C)
C2C is an e-commerce type that runs a sales business online from consumer to consumer other.
4. Social E-commerce
Social e-commerce is a type of e-commerce that allows the occurrence of social networks and relationships online social.
5. Mobile E-commerce
Mobile e-commerce is a type of e-commerce that allows the occurrence of online transactions through the use of mobile devices (iPhone, Android, Blackberry).
6. Local E-commerce
Local e-commerce is a type of e-commerce that focuses on consumer bonds based on the consumer's current geographic location is at.

While according to Huang (2019), different models of e-commerce have been developed based on different application scenarios. The most common models are Business-to-Business (B2B), Business-to-Customer (B2C), Customer-to-Customer (C2C), Online-to-Offline (O2O), and Government to-Business (G2B)(Huang et al., 2019).

2.2 The development of e-commerce in Indonesia

The birth of e-commerce in Indonesia stems from the presence of IndoNet. At that time, IndoNet was the Internet Service Provider (ISP) in Indonesia. The emergence of IndoNet became the forerunner to the use of technology in all fields. The online business is no exception.

Then, in 1996, Dyviacom Intrabumi or D-Net appeared, which is considered a pioneer of online buying and selling. The presence of this transaction media is, of course, good news for not only business owners but consumers. By using the internet, the transaction process will be much easier.

However, at first, the use of the internet was only limited to displaying products. For payment transactions, the seller and the consumer still have to meet. The term was later called cash on delivery (COD) (Xendit, 2022)

As technology advances, there are also online stores. Then this is the starting point for the emergence of e-commerce in Indonesia. The presence of online stores in Indonesia continues to increase and develop to date, both formally through e-commerce websites and non-formally with sales techniques through social media. Then, what is the view of Islamic fiqh with this online business? How do Muslims believe in this e-commerce business? There are recent clamor and research attention to resolve the e-commerce trust concerns from an Islamic viewpoint which is guided by Sharia law. It is therefore important to ensure that e-commerce trust from

the Sharia perspective is developed in order to induce and cater to the need of over 1.8 billion Muslims around the globe (Ribadu & Wan, 2019).

This study aims to examine how fiqh views e-commerce so that it can increase the confidence of Muslims in using e-commerce to meet their needs. The data was obtained from related journals in 2012 – 2022.

Do e-commerce or online stores comply with sharia law? Compliance with sharia law is one of the most basic aspects because if it is fulfilled, it will increase the intention of Muslim consumers to transact in e-commerce.

3. Methodology

The method used in this research is the Systematic Literature Review (SLR) method. The SLR method is used to identify, review, evaluate, and interpret all available research with topics of interesting phenomena with certain relevant research questions. With the use of the SLR method, a systematic review and identification of journals can be carried out, which in each process follows the steps or protocols that have been set (Triandini et al., 2019); Lusiana & Suryani, 2014)

Several researchers who have conducted research with SLR define SLR as follows:

1. SLR is a way to identify, evaluate and interpret all available research with a specific research question, topic area, or phenomenon of interest.
2. SLR is an evidence-based approach to searching for relevant studies with some predetermined research questions by selecting, assessing, and synthesizing findings to answer research questions.
3. SLR is a research technique for analyzing state-of-the-art in a particular field of knowledge by defining problem statements, sources of information, string search, inclusion and exclusion criteria formally from found papers). search, quantitative analysis to be performed (if necessary), and templates for finding information gathered from the paper.
4. SLR is a research technique used to study or find problems in Software Engineering (Wahyudin & Rahayu, 2020).

3.1 Object Penelitian

The object of this research is the view of Islamic fiqh on the online shop business. The reason for taking this research object is:

1. This business is increasing day by day, from year to year, along with the development of technology
2. Online business uses many platforms. Example: marketplace (shopee, lazada, tokopedia), webiste (grab, gojek), social media, and others.

3.2 Research Methods.

3.2.1 Research Questions.

This research question is made based on the needs of the chosen topic:

- RQ1. What platforms are the most widely used in online business development from 2012-2022?
- RQ2. Is this e-commerce business in accordance with sharia law?
- RQ3. What is the view of Islamic law on this e-commerce business?

3.2.2 Search Process.

Search Process or search process used to obtain relevant sources to answer Research Questions (RQ) and other related references. The search process is carried out using a search engine (Google Chrome) with the site addresses <https://www.sciencedirect.com> and <https://scholar.google.com/> for the data source.

3.2.3 Inclusion and Exclusion Criteria.

This stage is carried out to decide whether the data found are suitable for use in SLR research or not. The study was selected if the following criteria:

1. Data used in the 2012 – 2022 period
2. Data was obtained through the sites <https://www.sciencedirect.com> and <https://scholar.google.com/>
3. The data used is only related to Islamic law in e-commerce or e-commerce compliance with Islamic law.

3.2.4 Quality Assessment.

In SLR research, data will be found based on the following quality questions:

- QA1. Was the journal published in 2012–2022?

QA2. Does the article talk about the most used e-commerce platforms in Indonesia?
 QA3. does the article talk about e-commerce business compliance with sharia law?
 QA4. Does the article talk about the views of Islamic fiqh on e-commerce business?
 Each reviewed paper will be given a yes (Y) or no answer (N)

3.2.5 Data collection.

Data collection is done by selecting articles from <https://www.sciencedirect.com> and <https://scholar.google.com/> that match the predetermined criteria.

After collecting data, it was followed by observation and documentation of articles in the Mendeley library. The results of the content analysis of the selected articles according to the criteria, as shown in Table 1 below:

Table 1. Rating Quality Table

No	Author	Article Title	Year (QA1)	QA2	QA3	QA4
1	Chandra Fitra Arifianto	Lazada, Shopee Atau Tokopedia? Sebuah Preferensi Lokapasar oleh Mahasiswa-Pekerja di Area Tangerang Raya	2021	Y	N	N
2	Dhea Indriani Putri	Analisis Layanan Aplikasi E-Commerce (Shopee, Lazada, Tokopedia)	2020	Y	N	N
3	Lucky Nugroho	The Role of Islamic Banking and E-Commerce for the Development of Micro, Small, and Medium Entrepreneur Businesses	2020	N	Y	Y
4	Marjan Muhammad	Building trust in e-commerce from an Islamic perspective: A literature review	2013	N	Y	Y
5	Rositah Kambol	E-Commerce in the Context of Islamic Law of Contract of Sale	2018	N	Y	Y
6	Muhammad Yusron	E-Commerce Based on the Law of Buying and Selling in Islam	2019	N	Y	Y
7	Bambang Suhada	Covid-19 and the Implementation Of Qawā'id Fiqhiyyah in E-Commerce	2020	N	Y	Y
8	Siswadi, dkk	Literatur Study on Fiqh Muamalah Digital Business Transactions (e-commerce)	2022	N	Y	Y
9	Ruslan Abdul Ghofur	Islamic Economics Analysis on E-Commerce Transaction Mechanism in Indonesia	2019	N	Y	Y
10	Mohammad Hamad Allaymoun, at al.	E- Murabaha a mechanism for E-Commerce	2019	N	Y	Y
11	Ribadu, Mohammed Bashir	An integrated approach towards Sharia compliance E-commerce trust	2019	N	Y	Y
12	Wahyu, A Rio Makkulau, at al.	Imam Syafi ' i ' s E-Commerce Concept ' s Relevance	2022	N	Y	Y

Source: secondary data processing results

3.3 Data Analysis

This stage will answer questions from the Research Question (RQ) and discuss the results of the dominant methods and approaches that emerged from 2012–2022.

4. Results and Discussion.

This section will explain/answer the Research Question (RQ).

4.1 RQ1. What platforms are the most widely used in online business development from 2012-2022?

From the results of the data analysis, the most widely used platforms are marketplaces, then websites, and social media. As for the marketplace category, the 3 biggest ones are shopee, lazada, and tokopedia, followed by Bukalapak, tiki, blibli, sendo, zalora, qoo10, and amazon (Arifianto & Endah Pratiwi, 2021)

4.2 RQ2. Is this e-commerce business in accordance with sharia law?

Ribadu's research results show that there is an equivalence between the requirements of sharia (Islamic contract) which avoids the element of usury, which is basically prohibited, gharar, haram objects, and maysir with e-commerce trust such as integrity, competence, quality, and guarantee the common good of the parties to the contract. Therefore, the convergence of Shariah

requirements and the generic antecedents of e-commerce trust is considered to increase trust in e-commerce businesses (Ribadu & Wan, 2019). A similar opinion was also expressed by Kambol (2018).

4.3 RQ3. What is the view of Islamic law on this e-commerce business?

According to Siswadi (2022), current studies show that e-commerce is a form of commerce that is synonymous with trading as-salam (buying and selling in fiqh muamalah), namely purchases of goods whose goods are received later after payment is made in cash (purchases whose orders are suspended) The practice of e-commerce in this way can also be considered to meet the requirements of as-salaam. The formal legality of digital/e-commerce business transactions has been regulated in Law Number 11 of 2008, Law Number 7 of 2014 concerning trade and Law Number 8 of 1999 concerning consumer protection, and the MUI DSN with its Fatwa Number: 05/DSN- MUI/IV/2000 regarding the sale and purchase of Salam (Siswadi & Soemitra, 2022). The same thing was said by Wahyu (2022) that Ba'i salam and e-commerce contracts are similar in that they involve the sale and purchase of goods with an upfront payment and subsequent delivery of goods up to a specified time limit. It is, however, significantly different because, in a ba'i salam contract, the seller and buyer meet directly, whereas, in e-commerce transactions, the buying and selling process is mediated by social media intermediaries (Wahyu et al., 2022)

E-commerce is allowed from the Islamic perspective as long as it complies with requirements stipulated by the Islamic law of contract, namely (i) form, (ii) contracting parties, and (iii) subject matter. This is to ensure that the main objective of commerce in Islam, which is protecting interests and eliminating harm to parties involved in a commercial-related transaction, could be successfully achieved. Based on this objective, it can be postulated that Shari'ah-compliant e-commerce could influence the presence of online trust among online users in this Internet enabled environment (Muhammad et al., 2013)

5. Discussion

Some things are also interesting to discuss, such as how Islamic Business ethics in E-Commerce, Legitimacy of E-Commerce Contracts, types of Contracts in Islam, Validity of E-Commerce from an Islamic Viewpoint, Payments for E-Commerce Transactions, Producer Characteristics, Producer Rights, Consumer Rights, and others.

In addition to the discussion regarding the most widely used marketplace, Riyanto's research results state that there are the top 10 most visited marketplaces in Southeast Asia, Shopee being ranked first, followed by Lazada, Tokopedia, Bukalapak, Tiki, Blibli, Sendo, Zalora, Qoo10, and Amazon. The three market leaders (Shopee, Lazada, and Tokopedia) are always in tight competition. Even though Shopee excels in the Southeast Asia area, in fact, Tokopedia visitors are higher than Shopee for the first three months of 2021. Tokopedia was visited by 135.1 million, and Shopee got 127.4 million visits. Meanwhile, Lazada is in 4th place with only 30.5 million visits. Interestingly, data in the Google play store as of July 18, 2021, noted that the Lazada and Shopee applications had been downloaded more than 100 million times. In stark contrast to the Tokopedia application, which has been downloaded only more than 50 million times. This strengthens the fierce competition between them. So it will be interesting if research is carried out to reveal what factors have been carried out by the three market workshops in attracting buyers (Arifianto & Endah Pratiwi, 2021).

6. Conclusion

Based on the results of the research that has been done, some conclusions can be drawn as follows: 1) Referring to the results of the SLR that the author did in journals published from 2012-2022, the dominant platform used in e-commerce is the marketplace; 2) Based on the SLR conducted in journal publications, from 2012-2022 it was concluded The result is that the buying and selling system through e-commerce is identical to the as-salam trade (buying and selling in fiqh muamalah), namely the purchase of goods received after payment is made up front in cash and is considered to meet the requirements of as-salaam; 3) The legitimacy of e-commerce in Islamic law can increase the level of trust in e-commerce businesses among Muslim users.

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