

The Concept of Gharar in Business and Economic Practices

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ABSTRACT

The concept of gharar is one of the fundamental principles in Islamic economics aimed at ensuring clarity, justice, and transparency in economic transactions. Gharar refers to excessive uncertainty, ambiguity, or lack of information within a contract that may cause injustice or potential loss to one of the contracting parties. Along with the rapid development of modern and digital economic systems, the potential presence of gharar has become increasingly complex, particularly in business practices such as e-commerce, pre-order systems, digital transactions, business contracts, and modern financial instruments. This study aims to examine the concept of gharar, its legal foundations, various forms, and its implications in contemporary business and economic practices. The research employs a qualitative method using a library research approach with descriptive-qualitative analysis. The findings indicate that the prohibition of gharar remains highly relevant in maintaining economic stability, protecting consumers, and promoting ethical business practices in accordance with Sharia principles. Therefore, the application of prudential principles, transparency, and contractual clarity is essential to minimizing gharar in modern economic activities.

Keywords : *Gharar, Islamic Business, Islamic Economics, Transaction Uncertainty.*

INTRODUCTION

The concept of *gharar* plays a crucial role in determining the clarity and fairness of transactions within the Islamic economic system. In Islamic economics, *gharar* constitutes one of the fundamental principles that determine the validity of a transaction. Generally, *gharar* is understood as uncertainty, ignorance, or ambiguity that may lead to potential loss for one of the contracting parties. The prohibition of *gharar* aims to establish transactions that are fair, clear, and transparent, thereby minimizing harmful and speculative practices. According to Hakim (2019), the regulation of *gharar* represents a Sharia-based effort to maintain socio-economic stability by ensuring that every transaction is grounded in complete and accountable information. The existence of the *gharar* concept thus serves as a guiding principle to prevent business practices that involve excessive uncertainty.

The development of the modern economy, particularly in the digital era, has introduced a range of new challenges that give rise to the potential presence of *gharar* in various forms of transactions. The emergence of e-commerce, financial technology (fintech), cryptocurrency investments, and digitally based business models has prompted Sharia scholars and academics to reassess the boundaries of *gharar* within a contemporary context. Al-Khalifa (2021) notes that technological advancement intensifies the urgency of a proper understanding of *gharar*, especially as many transactions are conducted without face-to-face interaction and often involve objects whose existence is uncertain (Al-Khalifa, 2021). Ambiguities

concerning product specifications, delivery mechanisms, and the uncertain value of digital assets have thus become key issues in modern *gharar* discourse.

Moreover, the Islamic financial sector faces significant challenges in ensuring that its products are free from elements of *gharar*. Various financial instruments, such as *takaful*, online *murabahah*, and technology-based financing contracts, must be designed with strict principles of certainty to ensure compliance with Sharia provisions. A study by Abdullah and Rahman (2020) demonstrates that the presence of *gharar* in financial instruments can undermine consumer confidence and hinder the overall growth of the Islamic finance industry (Abdullah & Rahman, 2020). Therefore, the evaluation of the *gharar* concept in contemporary economic practices has become increasingly important in response to the growing public demand for transactions that are secure and in accordance with Sharia principles.

In everyday business practices, *gharar* frequently arises in transactions that appear simple yet have the potential to generate disputes. Ambiguities regarding product quality, discrepancies between product specifications and descriptions, and uncertainty concerning delivery time represent tangible examples of *gharar* that remain prevalent in modern markets. Research by Suryadi and Mulyani (2022) emphasizes that a significant portion of the public lacks adequate understanding of the boundaries of *gharar*, leading them to unknowingly engage in transactions that may result in injustice (Suryadi & Mulyani, 2022). Therefore, academic understanding of this concept needs to be enhanced so that business practices can operate in a more ethical manner and in accordance with Sharia principles.

Based on the foregoing discussion, an examination of the concept of *gharar*, its various forms, and its application in business and economic practices becomes highly relevant. A comprehensive understanding of *gharar* is essential not only for academics but also for business practitioners, policymakers, and the general public engaged in modern economic activities. With a strong academic foundation, it is expected that a comprehensive perspective can be developed on how *gharar* should be identified, controlled, and prevented in contemporary transactions. Therefore, this paper is prepared to provide a clear exposition of the essence of the *gharar* concept and its implications for the development of contemporary Islamic economics.

RESEARCH METHOD

This research uses a qualitative method with a Library Research approach. This method was chosen because the main focus of the study is to analyze and review theoretical concepts in Islamic economics, particularly regarding *gharar*, with data sources mostly derived from written literature and academic documents. The data collection process involves a systematic examination of various library sources, including the Qur'an and Hadith as primary legal sources, and textbooks.

Next, the collected data were analyzed using descriptive-qualitative Content Analysis techniques. The analysis stages began with data reduction, which involves filtering information to identify the main arguments and key definitions related to

gharar in the context of business and economy. Then, data presentation was carried out, which entails organizing the findings into a coherent thematic framework (concept of prohibition, sharia legal basis, and implications). Finally, conclusions were drawn by synthesizing various views of Islamic economists to address the research objective of how the prohibition of gharar in business and economic practices.

RESULTS AND DISCUSSION

Definition of Gharar

Definition of Gharar According to Linguistic and Terminological Perspectives

From a linguistic (etymological) perspective, *gharar* refers to ambiguity, risk, or a condition involving uncertainty that may give rise to disputes in transactions. This meaning is reaffirmed in contemporary literature, which explains that *gharar* encompasses uncertainty related to the existence, quantity, or consequences of the subject matter of a contract (Muthia et al., 2024). From a terminological perspective, Islamic jurists and Sharia economists define *gharar* as excessive uncertainty that may affect the validity of a contract and lead to injustice for one of the contracting parties. In Islamic economic studies, *gharar* is defined as uncertainty that results in information asymmetry and potential losses in modern transactions (Nurinayah, 2023).

Furthermore, contemporary research highlights that in modern Islamic finance, *gharar* is regarded as a form of risk that must be minimized in order to maintain market stability and ensure consumer protection (Annasr et al., 2025). Therefore, the definition of *gharar* is not only discussed from the perspective of classical Islamic law but is also integrated into risk analysis within contemporary economic practices. In jurisprudential practice, *gharar* is classified into two categories: minor *gharar* (*gharar yasir*), which is tolerable, and major *gharar* (*gharar fahish/kathir*), which undermines the validity of a contract and is prohibited under Islamic law. This classification is further reinforced by recent studies indicating that uncertainty with substantive impact may invalidate a contract (Widiyawati & Zen, 2024).

Based on these various definitions, *gharar* can be formulated as excessive uncertainty in transactions that gives rise to the risk of dispute and injustice. This formulation demonstrates that the concept of *gharar* is relevant not only in traditional *fiqh al-mu'āmalāt* but also in the governance of modern economic transactions (Rafa, 2022).

Scholarly Perspectives (Classical and Contemporary) on Gharar

Classical scholars regard *gharar* as an element that invalidates a contract when the uncertainty involved is substantial (*gharar fahish*) and directly affects the core of the transaction. Imam An-Nawawi explains that *gharar* includes ambiguity concerning the subject matter of a contract, both in terms of its existence and its deliverability, thereby creating the potential for disputes between the contracting

parties (Muthia et al., 2024). Other scholars, such as Ibn Taymiyyah, emphasize that prohibited *gharar* refers to uncertainty that may give rise to deception, injustice, and an imbalanced allocation of risk between the parties to the contract (Nurinayah, 2023).

Within other classical *fiqh al-mu‘āmalāt* perspectives, scholars of the various legal schools agree that *gharar* exists in varying degrees. The Maliki school views *gharar* as ambiguity that affects the benefit or ownership of the subject matter of a contract, while the Shafi‘i school emphasizes the prohibition of unclear objects that may invalidate two essential elements of a transaction: price and goods. The Hanafi school places greater emphasis on uncertainty that leads to the possibility that a contract cannot be executed, such as the sale of something that does not yet exist (*ma‘dūm*). This consensus among classical scholars indicates that the prohibition of *gharar* is intended to uphold justice and prevent harmful speculation (Rafa, 2022).

Contemporary scholars position *gharar* as a risk-mitigation principle within modern Islamic economics. In contemporary literature, *gharar* is associated with the concept of excessive uncertainty that must be avoided to ensure Sharia compliance in financial products, capital markets, and modern business transactions. Annasr et al. (2025) state that contemporary scholars view *gharar* as a manageable risk element, provided that it is not excessive and does not undermine justice within a contract. Accordingly, certain forms of minor uncertainty are considered tolerable, as long as they do not alter the substance of the contract or lead to the exploitation of one of the contracting parties (Widiyawati & Zen, 2024).

In contemporary fatwas issued by institutions such as the National Sharia Council (DSN) and the standards of the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), *gharar* is operationally defined as uncertainty concerning “existence, quantity, quality, price, or time of delivery.” This approach aligns with modern regulatory requirements that emphasize clarity of specifications and transparency mechanisms in transactions. Accordingly, contemporary scholars do not merely understand *gharar* from the perspective of classical jurisprudence but also relate it to concepts such as information asymmetry, market uncertainty, and risk exposure in modern economic systems (Annasr et al., 2025).

Based on the perspectives of both classical and contemporary scholars, it can be concluded that the core objective of prohibiting *gharar* remains the same: to prevent injustice, disputes, and unhealthy risk in transactions. The difference lies in the scope of analysis: classical scholars primarily focused on simple contractual arrangements within traditional *mu‘āmalāt*, whereas contemporary scholars have expanded the discussion to encompass modern financial instruments, capital markets, and more complex economic regulations. The synergy between these two perspectives constitutes an essential foundation for the development of Sharia-compliant business and financial practices that remain relevant in the modern context (Nurinayah, 2023).

Legal Foundations of the Prohibition of Gharar in the Qur'an and Hadith

The prohibition of *gharar* in Islam is grounded in strong normative foundations within the Qur'an and the Hadith. Although the Qur'an does not explicitly mention the term *gharar*, several verses emphasize the prohibition of consuming others' wealth through unjust means, as well as the importance of clarity, honesty, and transparency in transactions. The verse most frequently associated with the prohibition of *gharar* is Qur'an Surah An-Nisa (4):29, which affirms that any form of transaction that has the potential to cause harm and generate ambiguity falls within the category of unlawful conduct (*batal*) (Nurinayah, 2023). The emphasis on the principle of justice in this verse serves as a foundational basis for scholars to prohibit transactions that involve uncertainty capable of undermining the validity of a contract.

In addition to the Qur'an, the hadith of the Prophet Muhammad (peace be upon him) provides a more explicit explanation regarding the prohibition of *gharar*. A hadith narrated by Muslim, which states that "the Messenger of Allah forbade transactions involving *gharar*," serves as a primary legal basis for establishing the unlawfulness of *gharar*-based transactions. In contemporary studies, this hadith is understood as a prohibition against excessive uncertainty that has the potential to harm one of the contracting parties, such as selling something whose existence is unknown, whose characteristics are unclear, or that cannot be delivered (Muthia et al., 2024).

Modern research also demonstrates that the hadiths prohibiting *gharar* are not limited to simple transactions in the classical period but remain relevant in the context of modern finance. For example, highly speculative transactions in capital markets, conventional insurance, and derivative contracts are considered to contain elements of *gharar* due to their high levels of uncertainty and potential for deception. This understanding is consistent with the hadiths prohibiting *mulāmasah* and *munābadzah*, which refer to forms of sale conducted without clarity regarding the subject matter of the transaction (Rafa, 2022). In other words, these hadiths are substantively interpreted as efforts to protect consumers and uphold transactional justice.

Contemporary studies also indicate that Islamic scholars and Sharia financial authorities, such as the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and the National Sharia Council–Indonesian Council of Ulama (DSN-MUI), employ Qur'anic and hadith-based evidence to establish operational standards within the Islamic finance industry. The prohibition of *gharar* is interpreted as an integral part of prudential principles that must be applied to financing contracts, Islamic banking, capital markets, and Sharia-compliant derivative instruments (Annasr et al., 2025). Thus, the legal foundation for prohibiting *gharar* is not merely theological in nature but also serves as a regulatory basis for modern financial practices.

The Qur'an provides a normative foundation through its prohibition of unjust practices (*batal*) and its injunction to uphold justice, while the hadith offers

explicit affirmation through the prohibition of *gharar*-based transactions. These two primary legal sources have subsequently been developed by classical and contemporary scholars into legal principles that prohibit excessive uncertainty in transactions in order to preserve legal certainty, justice, and consumer protection in modern *mu'āmalāt* (Widiyawati & Zen, 2024).

Fundamental Principles of Mu'āmalāt Related to Gharar

The fundamental principles of *mu'āmalāt* in Islam emphasize justice, clarity, and transparency in transactions in order to prevent the emergence of disputes. One of these core principles is the prohibition against consuming others' wealth through unjust means, as stated in Qur'an Surah An-Nisa (4):29. This verse serves as an important foundation for scholars in establishing boundaries against transactions that involve excessive uncertainty, as such uncertainty has the potential to lead to exploitation and injustice (Nurinayah, 2023). Accordingly, this principle constitutes a central pillar in regulating *mu'āmalāt* to ensure that transactions remain within the framework of justice.

In addition to the prohibition of unjust practices, *mu'āmalāt* is also grounded in the principle of clarity (*ta'rif*), which requires that every element of a transaction be clearly specified, including the subject matter of the contract, price, time of delivery, and other relevant terms and conditions. In contemporary *fiqh* studies, clarity is regarded as the primary preventive mechanism against *gharar*, as ambiguity in specifications often constitutes the root cause of disputes in transactions (Muthia et al., 2024). Therefore, the principle of clarity obliges the contracting parties to provide transparent and measurable information prior to the conclusion of a contract.

The principle of mutual consent (*riqā*) is also closely related to the prohibition of *gharar*. A contract concluded without adequate knowledge or under conditions of information asymmetry may undermine the validity of genuine consent. Contemporary scholars emphasize that transactions involving significant uncertainty can weaken consent, as the disadvantaged party may not fully understand the risks or consequences of the contract (Widiyawati & Zen, 2024). This principle underscores that consent is considered valid only when it is supported by clear and non-deceptive information.

Another fundamental principle is the prohibition of speculation and gambling (*maysir*) in transactions. Modern research indicates that extreme speculative transactions often contain elements of *gharar* due to their high level of uncertainty, thereby resembling wagers on unquantifiable risks. In the context of modern finance—such as conventional insurance, speculative derivatives, and margin trading practices—scholars have found that *maysir* and *gharar* are closely interconnected and jointly reinforce the prohibition of transactions that are not based on real ownership or tangible value (Rafa, 2022). Accordingly, this principle ensures that transactions remain within the realm of productive and real economic activity.

The final principle related to *gharar* is justice (*‘adl*) in all forms of *mu‘āmalāt*. Justice requires a balance of rights and obligations as well as a proportional distribution of risk among the contracting parties. Annasr et al. (2025) assert that the principle of justice constitutes the primary philosophical foundation for the prohibition of *gharar*, as excessive uncertainty may generate imbalanced risk and cause harm to one party. Consequently, all of these fundamental principles of *mu‘āmalāt* function as guiding frameworks to ensure that transactions are free from *gharar* and that justice is realized in economic activities.

Distinction Between Minor Gharar (*Gharar Yasir*) and Major Gharar (*Gharar Fahish*)

In the study of *fiqh al-mu‘āmalāt*, scholars distinguish *gharar* into two main categories: minor *gharar* (*gharar yasir*) and major *gharar* (*gharar fahish*). This classification aims to determine the degree of uncertainty that may be tolerated in transactions. *Gharar yasir* refers to minor uncertainty that is generally unavoidable and does not affect the validity of a contract. In contrast, *gharar fahish* denotes substantial uncertainty that may invalidate a contract by significantly affecting the clarity of the subject matter, price, or outcome of the transaction (Widiyawati & Zen, 2024).

Minor *gharar* is considered permissible by scholars because it is non-substantial in nature and does not create a significant risk of loss for either party. Examples of minor *gharar* include limited uncertainty regarding technical details that do not alter the value or existence of the subject matter, such as not knowing the exact number of seeds in a fruit or minor uncertainty related to uncontrollable natural conditions. Contemporary studies explain that this type of *gharar* constitutes a natural part of economic activity and therefore cannot be entirely eliminated (Muthia et al., 2024). Accordingly, Sharia accommodates *gharar yasir* as a form of tolerance to facilitate the smooth conduct of transactions.

In contrast, major *gharar* (*gharar fahish*) involves uncertainty that affects the core elements of a contract and has the potential to cause disputes or significant losses. Scholars define *gharar fahish* as uncertainty concerning an object whose existence is unclear, whose deliverability is uncertain, or whose characteristics are not specifically known (Nurinayah, 2023). Classical examples include selling fish in the sea or birds still flying freely, while modern examples encompass speculative contracts and conventional insurance arrangements characterized by high uncertainty (Rafa, 2022). This type of *gharar* is prohibited because it creates opportunities for exploitation and contradicts the principle of justice.

The principal distinction between these two types of *gharar* lies in their impact on the overall benefit (*maṣlaḥah*) of a transaction. Minor *gharar* does not cause harm to the contracting parties, whereas major *gharar* has the potential to undermine clarity regarding price, benefit, or ownership. In the modern economic context, this distinction serves as a basis for Sharia assessment of financial instruments, whereby only minor uncertainty is permitted, while significant forms

of uncertainty—such as speculation and certain derivative instruments—are considered non-compliant with Sharia principles (Annasr et al., 2025). The distinction between *gharar yasir* and *gharar fahish* is therefore not merely terminological, but also functions as a practical guideline in determining the validity of contracts in contemporary *mu‘āmalāt*. *Gharar yasir* is tolerated to facilitate transactional ease, whereas *gharar fahish* is prohibited due to its potential to generate injustice and information asymmetry that disadvantages one of the contracting parties.

Forms of Gharar

Gharar in the Subject Matter of Transactions (Uncertainty in Goods, Quality, or Quantity)

Gharar in the subject matter of a transaction arises when the goods being traded lack clarity regarding their existence, quality, utility, or quantity. Such ambiguity may give rise to potential disputes; therefore, Islamic law requires that the object of a contract be clearly known to both contracting parties. Uncertainty concerning the subject matter of a transaction is considered to create opportunities for speculation and injustice, particularly when the condition of the goods differs from the buyer’s expectations (Aziz, 2023).

Gharar related to quality arises when the specifications of goods are not described in detail, including standards of quality, physical condition, level of functionality, or other technical aspects. Scholars emphasize that ambiguity regarding quality may invalidate a contract because the buyer is unable to ascertain the true value of the goods. In modern business practices, uncertainty concerning quality frequently occurs in digital transactions, such as online sales of products that lack complete information or clear verification (Rahman, 2021).

Gharar in quantity occurs when the amount of goods is not precisely determined, whether in terms of weight, measurement, or volume. Such ambiguity may result in an imbalance of benefits between the parties involved. Contemporary literature notes that *gharar* related to quantity is one of the most frequently encountered forms of uncertainty in commodity transactions and futures contracts due to the absence of clear standards (Alhindi & Alsharif, 2020). Therefore, clarity regarding the subject matter of a transaction constitutes a fundamental principle for achieving justice and prudence in *mu‘āmalāt*.

Gharar in Price, Payment, and Contractual Mechanisms

Gharar in pricing arises when the value or amount of payment is not clearly specified at the time a contract is concluded. Such ambiguity may occur when the seller fails to set a fixed price, imposes unilateral price changes, or employs pricing formulas that are not properly understood by the buyer. Contemporary literature emphasizes that uncertainty in pricing constitutes a significant form of *gharar* because it affects mutual consent (*tarāḍī*) between the contracting parties (Mahfouz, 2021). In the context of modern business practices, this issue can be observed in

non-transparent dynamic pricing schemes, such as hidden costs in digital transactions.

Gharar in payment arises when the timing, method, or amount of payment is not clearly specified in the contract. Such uncertainty may occur when payment is deferred without a definite time frame or when the method of payment deviates from the initial agreement between the parties. Recent studies reveal that ambiguity in payment frequently emerges in financial technology (*fintech*)-based transactions, particularly when the terms and conditions are not explained in detail to consumers (Hassan & Nuruddin, 2022). Such uncertainty has the potential to disadvantage one of the parties, as it may result in an imbalance of rights and obligations.

Meanwhile, *gharar* in contractual mechanisms occurs when the procedures for executing a transaction are not clearly defined, such as ambiguity regarding the process of delivery, the stages of the contract, or the conditions that must be fulfilled by both parties. Such uncertainty in contractual mechanisms may give rise to disputes at a later stage. Contemporary jurists emphasize that every contract must adhere to the principles of transparency, clear mutual agreement, and well-defined legal consequences in order to avoid *gharar* that may invalidate the contract (Amin, 2020). Therefore, clarity in pricing, payment, and contractual mechanisms constitutes a crucial aspect of maintaining the integrity of transactions from the perspective of Islamic *mu'āmalāt*.

Illustrations of Gharar in Traditional and Contemporary Transactional Contexts

The concept of *gharar* has been recognized since classical times in various forms of transactions conducted by pre-Islamic Arab society as well as during the early Islamic period. One of the most frequently cited classical examples is the sale of *mulamasah* and *munabadzah*, transactions that are considered valid solely through touch or the tossing of a cloth, without inspecting the goods beforehand. These practices are deemed to involve *gharar* because the buyer does not have precise knowledge of the quality or condition of the goods (Ibrahim, 2019). Furthermore, the sale of animals that are still in gestation or fish that have not yet been caught is also categorized as a *gharar* transaction, as the object of the sale does not yet exist and does not guarantee a certain outcome.

In the context of modern transactions, *gharar* manifests in various new forms alongside the development of technology and business models. One example is pre-order transactions conducted without clear information regarding product specifications, delivery times, or stock availability. Such uncertainty can create doubt as to whether the goods will be delivered as agreed, leading contemporary scholars to consider these transactions as a form of *gharar* if they are not accompanied by well-defined conditions (Khan & Ali, 2021). Moreover, digital service transactions that sell intangible products without quality verification—such as fraudulent applications or digital files—also have the potential to involve elements of *gharar*.

Gharar is also prevalent in modern business and investment practices that involve complex contractual structures, such as certain multi-level marketing (MLM) schemes, cryptocurrency investments without underlying assets, or derivative contracts lacking clarity regarding the underlying value. Contemporary literature notes that the ambiguity of the mechanisms and the value of the transaction objects in derivative contracts constitutes a form of excessive *gharar*, as these arrangements involve high levels of speculation and are not backed by tangible assets (Salman, 2024). Therefore, in both classical and modern transactions, *gharar* is understood as an element of uncertainty that must be avoided in order to maintain fairness and certainty in contractual agreements.

Gharar in Business Practices

Analysis of Potential Gharar in Modern Sales Transactions (E-Commerce, Pre-Order Systems, and Digital Goods)

The advancement of digital technology has significantly transformed sales transaction patterns, particularly through e-commerce, pre-order systems, and the sale of digital products. However, these developments also give rise to various potentials for *gharar*, especially when information regarding the goods, transaction mechanisms, and associated risks is not communicated clearly. In the context of e-commerce, *gharar* often arises because buyers do not physically inspect the goods, making it difficult to verify their quality, authenticity, and conformity prior to the transaction. This uncertainty is further compounded by practices of excessive marketing claims (*overclaiming*), which can create a gap between the product description and the item actually received (Suhail & Rahman, 2020).

Pre-order systems also carry a significant potential for *gharar* if the seller does not provide clear information regarding delivery times, stock availability, or product specifications. Such ambiguities can lead to the risk of production failure or delays, which can disadvantage the buyer. Several studies indicate that pre-order transactions lacking a definite estimated delivery time and failing to guarantee the future availability of the product fall into the category of *gharar fahish* (excessive uncertainty) when the likelihood of failure is considerable (Hadi & Lubis, 2021). Therefore, transparency in information and clarity regarding delivery timelines are essential conditions for ensuring that pre-order transactions comply with Shariah principles.

The sale of digital goods, such as applications, plugins, e-books, or digital vouchers, also carries potential for *gharar* because the objects are intangible and their quality is difficult to verify before the buyer downloads or accesses them. Risks such as corrupted files, non-functional licenses, or restricted access without prior notice are examples of uncertainties commonly encountered. Contemporary literature emphasizes that digital transactions must specify access rights, usage duration, and device compatibility to avoid *gharar* that may harm consumers (Zulkifli & Samad, 2023). The greater the complexity of digital transactions, the

higher the demand for transparency, disclosure of information, and clarity of transaction mechanisms to ensure compliance with Islamic principles of *muamalah*.

Gharar in Business Contracts (Partnership, Profit-Sharing, and Lease Agreements)

Gharar in partnership contracts often arises when the roles, contributions, and responsibilities of each party are not clearly defined at the outset of the agreement. Such ambiguity can lead to disputes, particularly regarding profit distribution and risk-bearing. Contemporary studies emphasize that unclear contractual mechanisms constitute a form of *gharar* that may invalidate the agreement if they create an imbalance of rights and obligations (Amin, 2020). Therefore, partnership contracts require clarity in structure, rights, obligations, and risk allocation to ensure certainty for all parties involved.

In profit-sharing systems, such as *mudharabah* and *musyarakah*, *gharar* can arise when the profit-sharing ratio, the business object, or the mechanism for calculating profits is not clearly established. This ambiguity is often observed in modern business practices, particularly when financial reporting lacks transparency or when there are no agreed-upon standards for profit evaluation. Previous research indicates that uncertainty in payments and profit calculation mechanisms can constitute excessive *gharar*, especially if not accompanied by adequate principles of transparency and accountability (Hassan & Nuruddin, 2022). This indicates that profit-sharing contracts must prioritize clarity and transparency to prevent exploitative practices.

In lease agreements (*ijarah*), *gharar* can occur when the leased object, lease duration, or rental fees are not clearly specified. Examples include unclear conditions of the leased asset, additional costs not disclosed in advance, or uncertainty regarding the lease period. Contemporary *fiqh* literature notes that such uncertainties may constitute *gharar*, as they cause one party to bear disproportionate risk (Suhail & Rahman, 2020). Therefore, lease transactions must provide complete information regarding the object, fees, duration, and maintenance responsibilities to align with the principle of clarity in Islamic *muamalah*.

Business Practices at Risk of Containing Gharar (MLM, Fraudulent Investments, Unclear Deposits)

Multi-Level Marketing (MLM) is one form of business practice often regarded as having the potential to involve *gharar*, particularly when the structure of bonuses, commissions, products, and recruitment mechanisms is not transparently disclosed. Many MLM schemes emphasize recruiting new members over selling goods, making participants' profits uncertain and dependent on an unstable network structure. Contemporary *fiqh* scholars emphasize that unclear contractual mechanisms—including participant contributions, rights, and sources of profit—are primary factors contributing to excessive *gharar* in MLM practices (Amin, 2020). If such

uncertainty is not mitigated, MLM can be classified as a transaction that is invalid under the principles of Islamic *muamalah*.

Fraudulent investments also contain a very high element of *gharar* because there is no clarity regarding the underlying assets, business mechanisms, or sources of profit. Promoters of such investments often promise high returns without explaining the potential risks. This lack of clarity places investors in a speculative position, contrary to the principles of justice in Islam. Modern literature emphasizes that uncertainty regarding payment mechanisms and the absence of supporting assets are hallmarks of transactions rife with *gharar*, which can cause significant harm to society (Salman, 2024). Accordingly, such investments are considered *gharar fahish* and are prohibited.

Ambiguous deposit products or non-transparent fund management schemes also have the potential to contain *gharar*, particularly when the managing institution does not clarify the instruments for fund placement, business risks, or profit-sharing mechanisms. Such ambiguities include uncertainty over the amount of profit, disbursement timing, and even the legal status of the business conducted by the fund manager. Contemporary studies indicate that uncertainty related to fund usage and profit calculation mechanisms can give rise to *gharar* if clients are not provided with complete information (Hassan & Nuruddin, 2022). Therefore, full transparency is an essential requirement for deposit products to comply with Shariah principles and to avoid harmful speculation.

Efforts to Avoid Gharar in Business Operations

Efforts to avoid *gharar* in business operations constitute a crucial aspect of establishing transactions that are fair, transparent, and compliant with the principles of Islamic *muamalah*. One of the primary measures that must be undertaken is to clarify all information related to the transaction object, including product specifications, quality, quantity, and technical condition. This practice is especially emphasized in e-commerce and digital sales, as unclear product information is often a primary source of *gharar*. Research indicates that enhancing informational transparency—including accurate product descriptions and quality verification—can reduce uncertainty in digital transactions (Suhail & Rahman, 2020).

In addition, companies need to clarify contractual mechanisms and rules, particularly in businesses involving partnerships, investments, or profit-sharing systems. Transparency regarding rights, obligations, contractual procedures, and risk allocation is key to preventing the emergence of *gharar*. Contemporary *fiqh* scholars assert that non-transparent contractual mechanisms are a primary source of uncertainty in modern business, making the preparation of detailed and comprehensible contracts an essential preventive measure (Amin, 2020). Standardizing contracts and employing clear legal documents can significantly reduce the potential for disputes in the future.

Business institutions must also provide transparent payment mechanisms and fund management procedures, explicitly detailing potential risks. This is

particularly critical for financial products, such as deposits, financing, and investments, which often involve *gharar* when information is incomplete. Contemporary studies highlight that much of the uncertainty in modern financial transactions arises from unclear profit sources or fund management practices (Hassan & Nuruddin, 2022). Therefore, businesses must implement comprehensive disclosure principles to ensure that consumers fully understand all aspects of a contract prior to entering into a transaction.

Moreover, modern businesses should adopt a prudential approach in transactions involving digital or intangible goods. Digital products without physical form, such as applications or electronic files, must be accompanied by clear information regarding licenses, validity periods, access rights, and device compatibility to minimize uncertainty. Research emphasizes that transparency regarding usage rights and technical specifications is a crucial step in avoiding *gharar* in digital goods transactions (Zulkifli & Samad, 2023). The implementation of service standards and refund policies is also an important component of consumer protection.

Overall, efforts to avoid *gharar* in business operations include informational transparency, clarity in contractual agreements, clear payment mechanisms, contract standardization, and consumer education. Businesses that apply prudence and openness not only avoid *gharar* but also enhance consumer trust and promote more ethical transactions.

The Economic Perspective on Gharar

Implications of Gharar for Stability and Fairness in Economic Systems

Gharar has a significant impact on the stability of economic systems, as ambiguities in contractual agreements can create information asymmetries and disproportionate risk among transacting parties. When uncertainty is left unchecked, markets become vulnerable to volatility due to increased speculative risk and the potential for information manipulation, which can hinder market efficiency (Al-Shammari et al., 2020). Such conditions have the potential to create distortions in price mechanisms and reduce public confidence in the economic system. From an Islamic perspective, market stability requires clarity and transparency so that all parties can engage in transactions fairly and responsibly.

Excessive ambiguity also generates injustice, as it can confer unilateral benefits to one party without taking into account the risks borne by the other. In Islamic economics, such conditions are regarded as a form of economic injustice that can disrupt the balance of profit distribution and risk-sharing, making the prohibition of *gharar* an essential instrument for protecting against economic oppression (Hassan et al., 2022). Screening for elements of *gharar* through regulation and standardized contracts is considered important to ensure equitable distribution and prevent economic practices that disadvantage any party. Efforts to reduce *gharar* are also viewed as part of a broader mechanism to maintain social justice within the economic system.

The Impact of Gharar on Consumer Protection and Uncertainty Risks

Gharar is closely related to consumer protection, particularly in transactions involving unclear information, product specifications, or mechanisms for delivering goods and services. In situations where information is not fully disclosed, consumers are vulnerable to losses resulting from decisions made based on inaccurate or misleading data (Rahman & Rahim, 2021). In the digital era, forms of *gharar* have become increasingly complex, such as non-transparent product details, undisclosed additional costs, or ambiguous return systems. Such uncertainty heightens consumers' exposure to risk, making the management of *gharar* a crucial component of modern consumer protection.

The development of e-commerce and digital marketplaces necessitates mechanisms to mitigate uncertainty through improved information accuracy, contractual transparency, and stronger consumer protection regulations. From an Islamic economic perspective, mitigating *gharar* aims to ensure that consumers receive sufficient information and are not drawn into transactions that may harm them economically or legally (Arianti & Widiastuti, 2020). Clarity in contracts and transparency of information can reduce uncertainty risks, enabling consumers to make rational decisions. Efforts to minimize *gharar* are not only relevant from a Shariah legal perspective but also serve as a critical pillar for the sustainability of the digital trade ecosystem.

The Relevance of the Gharar Concept in Contemporary Islamic Finance and Economics

The relevance of the *gharar* concept in contemporary Islamic finance is evident in the need to design financial products with clearly defined contractual structures that are free from excessive uncertainty. In Islamic banking and finance, *gharar* serves as a key parameter for evaluating contracts to ensure that agreements—whether in *murabahah*, *ijarah*, or *musyarakah* financing—clearly specify the object, benefits, risks, and payment mechanisms (Ismail & Shaikh, 2019). Non-compliance with the principles of *gharar* can give rise to legal and operational risks that affect the credibility of Islamic financial institutions. Consequently, internal supervision and Shariah auditing are essential to ensure that all products adhere to prudential principles.

In the context of the digital economy, the relevance of *gharar* has further increased due to the emergence of digital assets, blockchain-based smart contracts, and app-based financial services. These developments introduce new forms of uncertainty that must be anticipated, such as unclear valuations of digital assets or ambiguous mechanisms in fintech platforms (Huda & Saputra, 2023). The concept of *gharar* continues to serve as an important guideline for maintaining legal certainty and preventing excessive speculative risk in modern economic activities. The clarity in contracts and transparency demanded by the prohibition of *gharar* make this principle increasingly relevant and vital within the contemporary Islamic economic ecosystem.

CONCLUSION

The study of the concept of *gharar* indicates that uncertainty in transactions is a critical aspect that must be carefully considered in the practice of *muamalah* and within the Islamic economic system. *Gharar*—whether in the form of ambiguous objects, prices, contractual mechanisms, or speculative risks—has the potential to create injustice and information asymmetry among transacting parties. Classical and contemporary scholars agree that excessive *gharar* (*gharar fahish*) is prohibited, as it can negatively affect economic stability, consumer protection, and market fairness.

In the context of modern business, elements of *gharar* can arise in digital transactions such as e-commerce, pre-order systems, digital assets, partnership contracts, as well as in unethical practices like MLM schemes and fraudulent investments. Therefore, the principles of prudence, informational transparency, and contractual clarity are essential for preventing *gharar*. The Islamic economic system positions the prohibition of *gharar* as a mechanism to promote justice, legal certainty, and economic stability, rendering this concept highly relevant and indispensable in the development of contemporary financial products and business practices.

Recommendations

Based on the conclusions above, the author offers the following recommendations:

1. **For business practitioners:** It is necessary to enhance understanding of the provisions of *gharar* to ensure that every transaction is designed transparently, with clear information, and free from elements of uncertainty that may disadvantage other parties.
2. **For regulators and Islamic financial institutions:** Strengthening regulations, Shariah audits, and transparency standards is essential to minimize elements of *gharar* in modern financial products, particularly in the fintech sector and digital commerce.
3. **For the public and consumers:** It is important to improve literacy in Islamic finance to enable more critical evaluation when selecting products and services, especially those with a high potential for uncertainty, such as online investments, bonus schemes, or contracts that are not clearly defined.

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