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## **INTRODUCTION**

The modern digital revolution conveyed by ubiquitous internet connectivity and immense usage of mobile phones has created huge possibilities for payment systems to grow. One example is the emergence of sophisticated advanced payment apps such as e-wallets that implemented on cell phones of consumers, provided by the growth of flexible payment providers that try to suggest more incentives to retailers and consumers than banks have done before (Kazan et al, 2018). (Md.Mahmudul Alam, 2021).

## **DEFINITION OF E-WALLET**

E-Wallet is a type of electronic card used for online transactions made via phone or computer. (Farhan shah, 2020). The implementation of e-Wallet can lead to issues of non-compliance with Shariah not only from the aspect of categories of goods and services that are illegal from the Sharia side, but also to on the e-Wallet implementation structure that has Gharar elements that also become factors that contribute to the issue of Shariah non-compliance. The e-Wallet has the same utility as a credit or debit card, but the e-Wallet needs to be connected to an individual's bank account to make payments. (Wan Nurliza W.Ramlii, Hairin Herlina Abdul Halimii, Nur Farizah Ismailiii & Syazwan Othman 2021)

E-Wallet is a type of password protected pre-paid account where users can keep their money for any online transaction. With the help of e-Wallet, individuals can make payments for groceries, online purchases, flight tickets, e-hailing services and so on. E-Wallet also has two components, namely software and information. Software: Software components store personal information and provide data security and encryption. Information: The information component is a database that contains the user's personal details such as name, delivery address, payment method, amount to be paid and debit or credit card details.

## **TYPES OF E-WALLET**

They are 2 types of e-wallet which is network-based e-Wallet and card-based e-wallet. Network based e-wallet is using the cloud as a place to store digital money. For examples, GrabPay, Boost, Touch n Go. Card based e-wallet is using an existing card network for example BigPay, AEON and MPay.

## **FUNCTIONS OF E-WALLET**

All of the technologies that have been created and produced, each of them has their own reasons and functions to human being. Talking about the e-wallet, one of the e-wallet that widely used in Malaysia is Shopee Pay. It basically functions like the physical wallet but in

digital. Fintech innovations on mobile devices such as ATMs and smartphones are now the major of payment methods in southern Asia and these have been made possible by the fintech revolution (Md.Mahmudul Alam, 2021). Fintech is a combination between finance and technologies. Shopee, Lazada and Amazon are one of the apps that installed fintech as their way to settle down any payment. Here are some of the e-wallet functions.

First, e-wallet offers a cheaper cost transaction process by removing the requirements for middle man, decreasing the cost for filling the fuel in order to meet the involved person in the transaction, reduce the circulation of paper currency, make it easy for the fees or utilities bill to be settled and most importantly we do not have to go to the Automated Teller Machine (ATM) or Cash Deposit Machine (CDM) to transferred the money instead we can just clicking a few buttons on the e-wallet and the transaction is done.

Second, e-wallet also permits clients to handle data in a central place linked to acquisitions affiliation, loyalty and finance information. In e-wallet we can do an online shopping where it benefits the seller and buyer. The seller will get money from the affiliation that they do from the online shop and to buyer, they can find various of vouchers that can benefit them such as discount on the goods, free shipping voucher and money cashback. All of this are among the things that attract people more to do the online shopping through e-wallet.

Third, e-wallet basically work like the usual wallet in fact it is more interesting than physical wallet. E-wallet make it possible to send money instantly to people who specifically use the app or even the one who even did not use the apps. For the example that nowadays, it is undeniably a popular way to use the Quick Response (QR) code to do the purchase and even a shop that is located in rural village are also using this kind of method. This showed us the revolution of technology is widely develop even in rural village.

Fourth, e-wallet also can handle the transfer of funds between individuals, credit card, integration and patented magnetic strip technology. Simply put, this type of wallet basically provides the exact same functions of physical wallet that contains coins, notes money and others (Mia Olsen, 2011) but it works in a convenient and smart way that remove the needs for multiple cards to be used in our daily life. E-wallet also opens up a new dimension to the payment systems for large markets and creates better business opportunities.

### **ADVANTAGES OF E-WALLET**

E-wallet is a system introduced in the community in tandem with the advancement of this cutting-edge technology. According to (Akmal Arif Jamhari et al. 2020) the 4.0 industrial revolution is based on broadband networks or known as the Internet of Things (IoT) which is everything using broadband.

Next, with the advent of the e wallet system it brings many benefits to every user.

Among the main benefits of e-wallets is their ease of use. Users just need to download the e-wallet app to a smartphone and enter their bank account details to start using the e-wallet. Thus, users can access their accounts anywhere and at any time.

Besides, another good of using e-wallets is that they simplify the process and save time. Today's norms that are getting faster and don't like to waste time queuing at banks and so on have made the use of e-wallets a profitable alternative. As the saying goes 'time is gold'. This application makes it easier for business activities to be carried out at all times regardless of the place in tandem with the changing lives of our time-conscious human beings (Nik Rahim, 2009). Using an e-wallet users can scan the qr code, barcode or enter the recipient's or merchant's account number directly to make the payment. What distinguishes the time the trajectory becomes sooner or later is the speed of the internet and the smoothness of the smartphone. The convenience of using your fingertips to make payments in a store or restaurant is one of the benefits of using an e-wallet.

In addition, financial trachement is safer than cash. This is because, e-wallets are used through online bank applications downloaded in their smartphones. Before performing any trachement the user needs to go through the identification and verification process as a safety measure. When compared to carrying cash in a wallet, users are exposed to the risk of robbery and theft. This example clearly shows that the security features available on e-wallet usage are better than conventional cash usage. According to Guo et al. (2012), security is defined as the ability of a website to protect customers' personal information from unauthorized use as well as disclosure during electronic transactions. This is because the parable, prepare an umbrella before it rains. That is, we do the initial preparation to be more careful before getting involved with unwanted things. Strictly speaking, the use of e-wallets provides a better security advantage over cash.

The use of e-wallets gives its users an advantage as there are various rewards and cashbacks on offer. Among the forms of rewards offered are cashback, vouchers, accumulated points or coins offered by e-wallet companies to users. Users who use e-wallets to make payments can earn points that can be exchanged for free or discounted items. With this the user can save money when making a purchase. In addition, there is a very affordable discount on food as well as tourism. It can attract users to continue to make the most of the e-wallet application their daily lives.

Another good of using e-wallets is the record of transactions that can be kept. Users can check their transaction history inside the app and track their expenses more easily. For example, consumers can know exactly how much money they have spent on each purchase and in which store. On the other hand, if using cash as a means of payment, it may be difficult to remember or know where our money has been spent, since No transaction records are kept. Therefore, the use of e-wallets has become more practical as it helps to manage finances