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MAYSIR ELEMENT ANALYSIS IN BINARY OPTION PLATFORM CASE STUDY OF IQ OPTION APPLICATION

Baldad Muhammad Syarifati[1], **Maya Panorama**[2]
Universitas Islam Negeri Raden Fatah Palembang, Indonesia
Email: syarifati.official@gmail.com, mayapanorama_uin@radenfatah.ac.id

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ABSTRACT

Binary options or more often referred to as binary options are financial instruments that are not very familiar to the public at first. However, it became familiar in the community after the recent viral case of fraud under the guise of investment was revealed. This study aims to analyze the elements of gambling (maysir) in the binary options platform. The method applied in this study is a normative legal approach using qualitative methods derived from secondary data. This study examines binary options using the desk research method. Secondary research or desk research methods are research methods whose analysis is through comprehensive library research from secondary industrial data and academic sources. Based on the systematic transaction in the binary options platform, we consider that the practice of binary options contains elements of gambling, namely; there are parties who bet (compete), there are assets at stake, there are winning and losing parties, and the winning party is entitled to the assets of the losing party. This study concludes that binary options are financial instruments that are identical to gambling or can be said to be hidden gambling. This is because transactions on binary options contain four gambling criteria that have been agreed upon by the scholars.

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INTRODUCTION

Today, a financial instrument has emerged that is becoming a topic of discussion among the public, especially for those who are involved in the investment world. These instruments are known as binary options or binary options. Binary options or more often referred to as binary options are financial instruments that are not very familiar to the public at first. However, due to a case of fraud under the guise of investment that was revealed recently, involving affiliates of one of the platform's binary options, then this instrument suddenly became a conversation in the information media in the country so

that the term binary option began to be known by the wider community. Several binary options platforms such as Binomo, IQ Option, Quotex, Olymptrade, Oxtrade, and others, were initially accessible via smartphones or computer devices with internet access. It's just that the Commodity Futures Trading Regulatory Agency (CoFTRA) under the Ministry of Trade of the Republic of Indonesia closed access to all binary options platforms on February 2, 2022, and stated that the binary options platform is an illegal commodity futures trading and gambling practice under the guise of trading (Bappebti, 2022).

In 2006 Binary options were introduced widely at the Chicago Board of Options Exchange (CBOE) press conference, which later became one of the financial instruments that can be traded in 2008 (Kolkova & Lenertova, 2016). With the requirements for opening an account that is not too complicated, coupled with a fair initial deposit value, since then the popularity of binary options has continued to rise and be ogled by investors. Most of the investors who join binary options are those who come from people who have little knowledge about investing and also those who have limited capital when they start investing in (Kolkova & Lenertova, 2016).

Binary options are financial instruments that provide an opportunity for investors to gain profit by predicting the value of an asset within a certain period that has been selected through the binary system (Hasanuddin, 2019). An investor is allowed to speculate on asset prices that are volatile in a certain period. Beginning with a deposit of an amount of money that is deposited on the online binary options platform, then the investor can immediately determine where the value/price of an asset is going to be used as an object of speculation, such as price movements of USD-EUR, GBP-USD, JPY-USD and so on. From the initial deposit, investors are given two choices in determining the price movement of an asset, namely "call" or "put", which is then accompanied by depositing in the form of a contract against one of the options of the assets provided by the platform (Puspitasari & Rachim, 2021). If the investor predicts that the price of an asset will rise within a certain period, he will choose the "higher, on the contrary, the investor speculates that the price of the asset will decrease in a certain period of time, then he will choose the "lower. When the investor decides on one of the two options, he must also deposit the nominal rupiah/dollar deposited at the beginning as a contract with the binary options platform. If the result of the proposition that has been inputted by the investor is correct - within the specified time period, then he will get the profit the promisedIt's another thing if the results of the prepositions that have been placed by investors before - are not correct - within a certain period of time, then the investor will lose all the funds he has inputted when determining the prepositions (out of the money) (Puspitasari & Rachim, 2021).

Islam with its plenary shari'a has forbidden and forbids its people to carry out all kinds of transactions that contain elements of gambling (maysir). Allah SWT said:

يٰٓاَيُّهَا الَّذِيْنَ اٰمَنُوْٓا اِنَّمَا الْخَمْرُ وَالْمَيْسِرُ وَالْاَنْصَابُ وَالْاَزْلَامُ رِجْسٌ مِّنْ عَمَلِ الشَّيْطٰنِ فَاجْتَنِبُوْهُ لَعَلَّكُمْ تُفْلِحُوْنَ

"Oh you who believe! Surely liquor, gambling, (sacrificing to) idols, and casting lots with arrows, are abominable deeds and include the deeds of the devil. So keep away from them, that ye may prosper."

In that verse, Allah SWT has included gambling in the category of rijsun min 'amalisy-syaithon, which when we translate into everyday language then gambling means an act that is despicable, despicable, dirty, and belongs to the actions of the accursed satan (Nugroho, 2018). So it is appropriate for a Muslim to stay away from all kinds of transactions that are identical to gambling or similar.

The concept Maysir in Islam

Maysir

Linguistically, gambling sometimes has two names, sometimes it is called maysir, and sometimes it is also called qimar, but the most commonly mentioned in the Koran is maysir. In the context of literal connotation, maysir is taken from a root word which means easy (Shihab, 2002). There are also those who argue that at first maysir defined as a camel that was used as an object of betting then slaughtered and the meat distributed, this was true during the period of ignorance (Nugroho, 2018). Departing from this, then maysir is literally interpreted as a game with dice or pawns loaded with betting elements.

Meanwhile, according to the term syar'i, maysir is al-qimar , namely everything that contains elements of gambling (Rifa'i & Nasib, 2012). Yusuf Qardhawi defines that maysir is anything that contains elements of profit and loss that is carried out in a way that is not justified by the Shari'a and without any serious effort, then it includes maysir (gambling) (Yusuf, 2007). In addition, maysir can mean all games that require a losing and winning party and the winning party has the right to take property from the losing party (Nugroho, 2018). So based on the various definitions above, we can conclude that maysir is all kinds of games, regardless of type, involving several parties, in which it contains elements of betting and win-lose and the winning party is entitled to the property of the losing party.

Prohibition of Maysir

Islam strictly prohibits all forms of gambling. We can find this prohibition in the Al-Quran and As-Sunnah. In the Qur'an, the prohibition of maysir goes through two stages. The first stage is contained in QS. Al-Baqarah: 219, Allah swt says.

يَسْـَٔلُوْنَكَ عَنِ الْخَمْرِ وَالْمَيْسِرِۗ قُلْ فِيْهِمَآ اِثْمٌ كَبِيْرٌ وَّمَنَافِعُ لِلنَّاسِۖ وَاِثْمُهُمَآ اَكْبَرُ مِنْ نَّفْعِهِمَاۗ

Mereka menanyakan kepadamu (Muhammad) tentang khamar dan judi. Katakanlah, "Pada keduanya terdapat dosa besar dan beberapa manfaat bagi manusia. Tetapi dosanya lebih besar daripada manfaatnya."

In that verse, the prohibition of khamr and gambling has not been stated explicitly. This verse is an introduction to the total prohibition of alcohol and gambling which is conveyed in the form of satire or in an unclear manner (Katsir, 2006). The new clear and final prohibition by Allah SWT is conveyed in verses 90-91 of Surah Al-Maidah. Allah SWT says,

يَا أَيُّهَا الَّذِينَ آمَنُوا إِنَّمَا الْخَمْرُ وَالْمَيْسِرُ وَالْأَنْصَابُ وَالْأَزْلَامُ رِجْسٌ مِنْ عَمَلِ الشَّيْطَانِ فَاجْتَنِبُوهُ لَعَلَّكُمْ تُفْلِحُونَ () إِنَّمَا يُرِيدُ الشَّيْطَانُ أَنْ يُوقِعَ بَيْنَكُمُ الْعَدَاوَةَ وَالْبَغْضَاءَ فِي الْخَمْرِ وَالْمَيْسِرِ وَيَصُدَّكُمْ عَنْ ذِكْرِ اللَّهِ وَعَنِ الصَّلَاةِ فَهَلْ أَنْتُمْ مُنْتَهُونَ

Hai orang-orang yang beriman, sesungguhnya (meminum) khamr, berjudi, (berkorban untuk) berhala, mengundi nasib dengan anak panah adalah perbuatan keji, termasuk perbuatan setan. Maka jauhilah perbuatan-perbuatan itu agar kalian mendapat keberuntungan. Sesungguhnya setan itu bermaksud hendak menimbulkan permusuhan dan kebencian di antara kalian lantaran (meminum) khamr dan berjudi itu, dan menghalangi kalian dari mengingati Allah dan salat; maka berhentilah kalian (dari mengerjakan pekerjaan itu).

In addition to the verses of the Qur'an, there are several nabawiyah hadiths that emphasize the forbidden status of gambling. Among them,

روى بريدة عن رسول الله صلى الله عليه وسلم قال: من لعب بالنردشير فكأنما صبغ يده في لحم خنزير ودمه

Buraidah ra. meriwayatkan dari Rasulullah Saw bahwa beliau pernah bersabda, "Siapa saja yang bermain judi dengan dadu, maka seakan-akan dia telah mencelupkan tangannya ke dalam daging babi dan darahnya.

وعن أبي موسى أن النبي صلى الله عليه وسلم قال: من لعب بالنرد فقد عصى الله ورسوله

Diriwayatkan dari Abu Musa ra. Bahwa Nabi Saw pernah bersabda, "Siapa saja yang bermain judi dengan dadu maka ia telah durhaka kepada Allah dan rasul-Nya."

Based on the arguments of the Qur'an and Sunnah, the scholars of the Salaf as-Salih until now have agreed in one voice (ijma') that maysir or gambling, regardless of its type, includes actions that are forbidden by the Shari'a and the perpetrators are punished as perpetrators of sin. big (fasiq) (Nugroho, 2018).

Maysir 's Prohibition

Among the reasons why Islam has forbidden gambling is because it can cause mafsadah or damage. This damage includes the collapse of religious foundations, moral degradation, economic destruction, and damaging social harmony such as (Nabila Zulfaa, 2018):

1. Gambling can make the perpetrators increasingly neglectful of carrying out Allah's commands such as prayer, fasting, dhikr and other worship which are primary needs (*al-hajaat adh-dharuriyyah*). This is because the time available is spent doing gambling activities so that the person concerned forgets his responsibility as a servant of Allah SWT.
2. Indeed, gambling can give rise to the seeds of enmity and discord among human beings. This has been explained by Allah SWT in QS Al-Maidah verse 91.
3. The sin of gambling is greater than the benefits, as Allah says in QS. Al-Baqarah verse 219
4. Gambling can have an impact on the moral damage of the perpetrator, because he is accustomed to relying on the aspect of chance (speculation) and neglecting productive activities to be able to bring in lawful and blessed sustenance.
5. Can cause addiction and dependence for the perpetrator. So that even though the person concerned has experienced many defeats and losses, he will continue to engage in the world of gambling.

The rampant practice of gambling can be a parasite for the economy of a nation. Because with a lot of gambling, it will increase crime rates, increase poverty rates due to defeats in gambling, and can cause other economic problems

Binary Options

Binary option is a type of option instrument that provides a fixed expiration date, with a fixed payout. Basically, this instrument provides an opportunity for someone to bet by choosing yes or no. In particular, the stakes are whether the set price of the underlying market will be above or below the position we have previously placed at a predetermined future time (Cofnas, 2015).

In simple terms, Binary Options are instruments that provide opportunities for investorsto gain profits (profits) by predicting the value of an asset within a certain period of time that has been selected through the binary system (Lestari & Arifin, 2022). Initially, investors will open an account on one of the platforms, such as binomo, iq option, oxtrade, or other platforms. After the account is verified, investors are asked to make an initial deposit in either Rupiah or US Dollars, some are pegged at a high value, there are also platforms that set a low and affordable initial deposit value. The next step, investors will choose assets from the many assets provided by the platform which will later become objects for speculation. For example, the investor chooses the value of the USD-GBP movement, then he is given two choices in determining the price movement of the asset,

namely "higher" or "lower", which is then accompanied by making a deposit in the form of a contract against one of the options of the assets provided by the platform. If the investor predicts that the price of an asset will rise within a certain period, he will choose the "higher, if on the contrary the investor speculates that the price of the asset will decrease in a certain period of time, then he will choose the "lower. When the investor chooses one of the two options, he must also deposit the nominal rupiah/dollar that has been deposited at the beginning as a contract with the binary options platform. If the result of the preposition that has been inputted by the investor - right - within the specified time period, then he will get profit the promisedOn the other hand, if the result of the preposition that the investor has placed before - is incorrect - within a certain period of time, then the investor will lose all the funds he has inputted when determining the preposition (out of the money)

METHOD

The method applied in this research is using a normative legal approach by using qualitative methods derived from secondary data (Lestari & Arifin, 2022). This research examines binary options using Desk Research. Secondary Research or Desk Research Methods is a research method whose analysis through comprehensive literature research from industrial secondary data and academic resources. This method was chosen when the current information is still limited.

RESULT AND DISCUSSION

Covert Gambling in Binary Options

To analyze whether in binary options there is an element of gambling or not, we need to know the transaction scheme on the platform. Below we attach an example image from one of the platform's binary options IQ Option.



Figure 1.

Captions:

1. Assets that are the object of speculation
2. Total investor deposits (rupiah or US dollars)
3. Contract value or the amount of money to be bet
4. Deadline (*expired time*)
5. Percentage of profit (*profit*) from the total contract value (if the investor's prediction is correct)
6. Option for investors, *higher* if the price is predicted to go up, *lower* if the price is predicted to go down

As we have said in the theoretical framework, in binary options an investor will "guess" where the movement of the value of the selected asset will go. When the investor's prediction turns out to be right, he will get the profit promised by the platform. However, if what happens is the opposite, namely the investor's prediction is wrong, then the investor will lose the funds he had risked when he made the initial preposition. (Puspitasari & Rachim, 2021).

In the first step, after the investor opens an account on one of the binary options platforms, then he will deposit funds with a certain value, as shown in point no. 2 in Figure 1. In the second step, investors will choose an asset as an object to trade, such as a commodity index, stock index, or currency movement (note point 1 in figure 1.). In the third step, the investor will determine the number of his funds that will be at stake within a certain period of time (point 3). Then the binary options will calculate the potential profit (profit) that will be obtained from the transaction. The profit value promised by the binary options is quite diverse, ranging from 60% - 90% (point 5 in figure 1.). In the fifth step, the user will choose the duration of the transaction (expired period) that varies, ranging from a few seconds, minutes, hours, or even days (point 4 in figure 1.). Then the last stage, the investor will predict where the asset price will move in the duration range he has previously chosen, if he believes the asset price will move up, then he will choose the "higher, but if he predicts the asset price will fall after an expiration time (expired period), then he will choose the "lower" (point 6).

After the six steps above are carried out by the IQ Option user, then he just waits for the results of the preposition. If the time duration has expired, and the last position of the asset price turns out to be in accordance with the investor's prediction, up or down, then the investor is entitled to get the profit as promised by the platform. The amount can be 60%, 70%, 80%, or even 90% of the total amount of funds that he has bet. However, if the opposite happens, i.e. the predictioninputted by the investor is wrong, for example, he predicts an increase, but it turns out that the price of the asset falls after the expiration time, then he (the investor) will lose all the funds he has staked for the asset (out of the money).

Based on the transaction systematics that we have presented above, we can conclude that binary options are a modern gambling practice because they have met 4 (four) gambling criteria (Nugroho, 2018), namely :

1. There are parties who bet
   As previously explained that in binary options there are two parties involved, namely the investor and the binary option platform.
2. The existence of assets at stake
   It is clear that the assets at stake in the binary options platform are money, both in Rupiah and US Dollars. Both parties are risking assets in each transaction.
3. There are winners and losers.
   If the investor's prediction of the price of an asset at a certain time is correct, then the investor will be the winner. Meanwhile, if the investor's prediction turns out to be wrong, then the platform is the winner
4. The winning party takes the assets from the losing party

In the binary options platform, it has been agreed that if the investor has correctly predicted the price movement of an asset within a certain period of time, then he is entitled to the money that has been promised by the platform in a certain amount. profit given is based on the percentage % of the value of the capital staked by the investor, which has been promised by the platform beginning of the preposition. For example, if an investor bets Rp. 100.000,-, then the platform promises 80% profit, if the investor's prediction is correct, then he is entitled to a profit of Rp. 80,000,-.

If the opposite happens, i.e. the investor's prediction is wrong, then he will lose all the funds he had staked at the beginning, and the money will automatically change ownership into the property of the binary options platform.

CONCLUSION

Based on what we have explained in the results and previous discussion, we can conclude that the binary options platform is a financial instrument that is identical to gambling or can be said to be hidden gambling. This is because transactions on the binary options platform contain 4 (four) gambling criteria that have been agreed upon by the scholars; there are parties who bet, there are assets at stake, there are winners and losers, and the winning parties are entitled to the assets of the losing party.

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