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Integration of technology and Islamic economy in TikTok Shop transactions

Ilma Puspanusa

Widyatama University

ilma.2321@widyatama.ac.id

Neni Kartikasari

Widyatama University

neni.kartikasari@widyatama.ac.id

Andhini Fauzia

Widyatama University

andhini.fauzia@widyatama.ac.id

Abstract

This study explores the alignment between TikTok Shop's live streaming feature and Islamic economic principles. In Islam, buying and selling must uphold honesty, transparency, and the absence of *gharar* (uncertainty). This paper examines how these principles are implemented in the live-streaming e-commerce ecosystem. As digital and social media technologies evolve, business practices have also shifted—particularly with TikTok Shop, which integrates real-time product promotion and consumer interaction. While this interactive approach enhances engagement and transaction speed, it also demands scrutiny under *sharia* compliance, focusing on the prohibition of fraud, consumer exploitation, and ambiguity in product specifications (*māl*). By applying *fiqh mu'āmalah* standards, the study finds that live-stream transactions on TikTok Shop can be deemed *halal* if they maintain integrity, avoid injustice, and provide transparent product and pricing information. Consequently, TikTok Shop may serve as a viable and *sharia*-compliant alternative, provided that ethical and legal principles are upheld throughout the transaction process.

Keywords: Online business; TikTok Shop; live streaming; Islamic economy; *fiqh mu'āmalah*

INTRODUCTION

The rapid development of information technology and social media has significantly influenced business patterns, particularly in the field of trade. One of the latest innovations in the e-commerce landscape is TikTok Shop, a digital platform that facilitates online buying and selling through live streaming to directly engage with consumers. In Indonesia, the legal foundation for such platforms is regulated under Law No. 19 of 2016 concerning Electronic Information and Transactions and Law No. 7 of 2014 concerning Trade.

Launched in 2016 by ByteDance, a company founded by Zhang Yuming, TikTok expanded into the e-commerce sector in April 2021 by introducing TikTok Shop. This feature allows sellers to promote products in real-time, enabling dynamic, interactive, and immediate purchase experiences. According to data from Tabcut.com as reported by Momentum Works, Indonesia ranks as the second-largest country globally in terms

of total transactions on TikTok Shop. The Gross Merchandise Value (GMV) of TikTok Shop in Indonesia—now operating under the name Shop Tokopedia—is projected to reach USD 6.198 billion (approximately IDR 100.5 trillion), reflecting a 39% year-over-year growth (KompasTekno, 2025).

This phenomenon has attracted entrepreneurs to expand their business activities on the platform. Nevertheless, further investigation is necessary to examine the compliance of these online transactions with Islamic *sharia* principles, which emphasize justice, transparency, and the prohibition of exploitative practices.

Islamic guidelines for business transactions are detailed in the fatwas of the National Sharia Council of the Indonesian Ulema Council (DSN-MUI). Fatwa No. 24 of 2017 provides regulations for social media-based commerce, aiming to ensure that digital transactions are beneficial and ethically sound. Additionally, DSN-MUI Fatwa No. 144 of 2021 on *sharia*-compliant marketplaces and Fatwa No. 146 of 2021 on *sharia*-compliant online shops reinforce the necessity of compliance with Islamic law in digital commercial platforms.

Therefore, this study aims to analyze the practice of online buying and selling through TikTok Shop's live streaming feature from an Islamic legal perspective. It further explores the *sharia* principles that must be implemented to ensure that online business activities are aligned with Islamic legal and ethical standards.

THEORETICAL BASIS

The concept of buying and selling (*al-bay'*) in Islam is fundamentally rooted in the principle of mutual consent and the lawful exchange of goods. Linguistically, *al-bay'* means "exchange," while terminologically it refers to the transfer of ownership between two parties based on an agreed-upon contract (Halim, 2022). According to Fitria (2017), buying and selling involves the exchange of goods with specific procedures and terms. Shabiran and Herwanti (2017) further emphasize that although trade is permissible in Islam, it must adhere to *sharia* principles—such as mutual consent, avoidance of fraud and deceit, public benefit, and the freedom of choice.

Syaifullah (2014) highlights that ownership rights are essential in trade, as transactions must involve goods that can be legally owned. Therefore, a valid sale in Islamic law refers to the exchange of goods using money as a medium, based on a mutual agreement and a clear contract that stipulates ownership and value.

For a contract to be valid in Islamic law, it must fulfill specific conditions: the presence of *ijab* (offer) and *qabul* (acceptance), and the object of the transaction must be lawful (*ḥalāl*), clear, and non-harmful. This requirement ensures justice and prevents elements of *gharar* (uncertainty), fraud, and *riba* (interest), which are strictly prohibited in Islam.

The primary legal basis for trade in Islam is found in the Qur'an, particularly in Surah al-Baqarah verse 275, where Allah SWT permits trade but prohibits *riba*. This verse affirms that commerce is lawful as long as it does not involve exploitative practices. Additionally, a hadith narrated by Imam Aḥmad mentions that the Prophet Muhammad (peace be upon him) said: "The best business is that of a person who works with his own hands and engages in honest trade" (Mujiatin, 2013).

The consensus among scholars (*ijmā'*) also recognizes buying and selling as a legitimate means of earning a livelihood, as individuals cannot fulfill all their needs

independently (Halim, 2022). However, the legitimacy of trade is conditional upon its compliance with the requirements and prohibitions set by Islamic law.

PILLARS AND CONDITIONS OF TRADE IN ISLAM

The pillars and conditions of trade in Islam play a crucial role in ensuring that every transaction is valid and compliant with *sharia* law. Each transaction must fulfill essential elements; otherwise, it is considered invalid under Islamic jurisprudence.

Ijab and Qabul (Offer and Acceptance)

The first pillar of a valid transaction is the existence of *ijab* (offer) and *qabul* (acceptance), which constitute the contract. According to the *Compilation of Sharia Economic Law* (KHES), a contract is an agreement between two or more parties to perform a specific legal action (Mardani, 2015). In commercial contexts, *ijab* refers to the seller's offer to sell a good at a particular price, while *qabul* refers to the buyer's acceptance of that offer. Without this formal agreement, no trade can legally occur.

Transaction Parties (Seller and Buyer)

1. The second pillar involves the transaction parties, namely the seller and the buyer. These parties must meet certain conditions:
2. **Muslim identity**, particularly when the object of the transaction is governed by Islamic legal rulings;
3. **Mental competence**, with the ability to discern right from wrong and take responsibility for decisions;
4. **Voluntariness**, meaning transactions must be free of coercion;
5. **Legal maturity (bāligh)**, such as experiencing menstruation for women or nocturnal emissions for men;
6. **Non-wastefulness**, as Islam prohibits reckless or extravagant behavior in commerce.

Goods Being Transacted (Object of Sale)

The third pillar is the object of the transaction. In Islamic law, the goods must be clear, specific, *ḥalāl*, and not contain anything prohibited or harmful to any party. The condition of clarity (*bayān*) is essential to avoid *gharar* or ambiguity.

Price as Medium of Exchange

The fourth pillar is the price, which must be in the form of money recognized in society. It must meet the following conditions:

1. It has acknowledged and accepted value;
2. It functions as a unit of measurement;
3. It is a lawful means of transaction.

Islamic commercial law (*fiqh al-mu'āmalāt*) outlines that for a transaction to be considered *ḥalāl*, it must be based on:

1. **Truthfulness (ṣidq)**: Sellers must provide honest information regarding the goods and their prices;
2. **Transparency**: There must be no vagueness in goods or pricing;

3. **Prohibition of gharar:** Specifications, quantity, and price of the goods must be clearly known;
4. **Prohibition of riba:** Transactions must be interest-free and equitable.

Failure to meet any of these requirements renders the transaction invalid. For instance, if the goods are unlawful or ambiguous, or if coercion occurs, then the trade is nullified in Islamic law.

Types of Contracts in Islamic Trade

Various contractual forms are recognized within Islamic commercial transactions to fulfill different business needs, including:

1. **Murābahah:** A cost-plus-profit contract where the seller discloses the purchase price and the agreed-upon margin (OJK, 2018).
2. **Istisnā':** A contract for goods manufactured to order, with payment terms agreed upon (OJK, 2018).
3. **Salam:** A forward sale where payment is made in advance, and the goods are delivered at a later date under specific conditions (OJK, 2018).

The selection of the appropriate contract depends on the nature and agreement of the trade between buyer and seller.

ISLAMIC JURISPRUDENCE (FIQH MU'ĀMALAH)

Fiqh mu'āmalah refers to the body of legal rulings that regulate human interactions, particularly in relation to property and contractual obligations. It constitutes one of the major branches of *fiqh* outside the domain of ritual worship (*'ibādah maḥḍah*), focusing instead on social and economic transactions.

According to Wahbah al-Zuhaylī, *fiqh* is defined as the science that deals with the practical application of *sharī'ah* laws derived from detailed textual evidence. This definition underlines that *fiqh* is developed through human reasoning (*ijtihād*) and interpretation (*istidlāl*) based on the Qur'an, *sunnah*, consensus (*ijmā'*), and analogy (*qiyās*). Consequently, *fiqh* is dynamic and capable of adapting to changing circumstances of time and place, provided it remains within the framework of Islamic legal methodology.

In the context of commerce, *fiqh mu'āmalah* provides the legal foundation and ethical guidelines for conducting transactions that are just, transparent, and free from elements prohibited in Islam, such as fraud (*gharar*), interest (*riba*), and injustice (*ẓulm*). It outlines the rights and responsibilities of contracting parties and ensures that business activities uphold Islamic moral and legal standards.

The application of *fiqh mu'āmalah* is especially critical in modern commercial innovations, such as e-commerce and social media-based transactions. These developments require ongoing scholarly engagement to assess the *sharī'ah* compliance of digital business practices and to provide updated legal opinions (*fatāwā*) relevant to current contexts.

LIVE STREAMING IN E-COMMERCE

Live streaming is a digital technology that enables users to record and broadcast video content in real time, providing an immediate and interactive experience for viewers (Chen & Lin, 2018). This medium allows audiences to engage directly with content as it unfolds, whether for entertainment, education, or commercial purposes.

In the realm of e-commerce, live streaming has gained traction as an effective marketing and sales strategy.

Entrepreneurs have increasingly adopted live streaming to promote their products or services in a more engaging and authentic manner, aiming to enhance sales performance and consumer trust (Sun et al., 2019). One of the primary advantages of live streaming is its ability to facilitate real-time interaction between sellers and buyers. Unlike conventional marketing tools such as TV commercials or banner ads, live streaming empowers consumers to ask questions, provide feedback, and make immediate purchasing decisions during the broadcast.

On platforms such as TikTok Shop, live streaming merges digital marketing with real-time social interaction. During these sessions, sellers showcase their products via live video while responding to audience inquiries through text-based chat features. This format fosters a spontaneous and dynamic shopping environment, encouraging impulse buying and enhancing consumer engagement (Cai & Wohn, 2019).

Several key benefits of live streaming as a sales medium include:

1. **Product demonstration:** Sellers can present product features and functionality in real time, offering viewers a practical understanding of how the product works.
2. **Multiple perspectives:** Products can be displayed from various angles or in different contexts, helping buyers evaluate their suitability.
3. **Interactive communication:** Buyers can ask specific questions, request clarifications, and receive instant responses, which supports informed decision-making.
4. **Persuasive environment:** Live streaming creates an energetic and persuasive atmosphere that can stimulate immediate purchases. Sellers often use time-limited offers, exclusive discounts, or giveaways to increase audience interest and encourage sales (Lu et al., 2018).

Overall, the integration of live streaming in e-commerce introduces a new level of transparency, consumer engagement, and marketing efficiency. Nevertheless, its application in the context of Islamic business ethics must be assessed to ensure compliance with *sharī'ah* values such as honesty, clarity, and fairness.

RESEARCH METHOD

This study employs a qualitative research approach using literature analysis and case study methods. The primary focus is on examining Islamic legal principles in the context of online buying and selling activities conducted through the TikTok Shop platform. Data were obtained through a comprehensive review of relevant academic literature, fatwas from the National Sharia Council of the Indonesian Ulema Council (DSN-MUI), and observational analysis of current trends in digital transactions.

The literature analysis emphasizes key concepts such as *bay'* (trade), *sharī'ah* compliance, *fiqh mu'amalah*, and the ethical implications of live-stream-based e-commerce. Meanwhile, the case study method was applied to assess real-time interactions between sellers and buyers on TikTok Shop, focusing on elements of contract formation, product transparency, pricing clarity, and the avoidance of fraudulent practices (*gharar*).

This methodological approach aims to bridge classical Islamic legal principles with modern commercial practices in the digital era, ensuring that the analysis remains both doctrinally sound and practically relevant.

RESULTS AND DISCUSSION

In Islamic commercial transactions, the clarity of contractual terms between buyer and seller is fundamental. This principle includes the presence of *ijab* (offer) and *qabul* (acceptance), transparency in product information, and certainty in pricing. TikTok Shop's live streaming feature allows sellers to demonstrate products directly to consumers in real time, potentially enhancing product understanding and reducing *gharar* (uncertainty).

The interactive nature of live streaming can serve as a medium for fulfilling key *sharī'ah* conditions such as clear communication, product visibility, and mutual consent. Buyers are able to ask questions, seek clarification, and receive immediate responses from sellers. These interactions support the requirement for *bayān* (clarity), which is essential in Islamic jurisprudence to avoid disputes and deception.

However, despite these advantages, challenges remain. Over-promotion, exaggerated claims, and the lack of complete or truthful descriptions can introduce elements of *gharar* and potentially mislead consumers. The absence of third-party verification or moderation on live streams can further complicate the assessment of *sharī'ah* compliance in real-time transactions.

In addition, the rapid pace and persuasive nature of live sales often encourage impulse buying without adequate reflection or product evaluation. This may undermine the principle of informed consent (*riḍā*) in Islamic law, especially if the buyer is not fully aware of the product's actual condition, warranty terms, or refund policies.

To ensure *sharī'ah* compliance, sellers must uphold principles of honesty (*ṣidq*), transparency (*wudūḥ*), and fairness (*ʿadālah*) in their commercial conduct. They must avoid ambiguous or misleading practices, clearly disclose all relevant product information, and ensure that transactions occur with mutual understanding and without coercion.

If implemented ethically, TikTok Shop can serve as a *ḥalāl* and innovative commercial platform. However, its legitimacy within Islamic law is conditional upon the integrity and accountability of the sellers, the clarity of the goods offered, and the absence of prohibited elements such as fraud, *riba*, and *gharar*.

CONCLUSION

The findings of this study indicate that TikTok Shop has the potential to operate as a *sharī'ah*-compliant e-commerce platform, particularly when its live streaming feature is used in accordance with Islamic commercial ethics. Transactions conducted through this platform can fulfill the essential pillars of trade—such as offer and acceptance, clear product information, and fair pricing—provided that sellers act with honesty and transparency and avoid elements of fraud, *gharar* (ambiguity), and consumer exploitation.

While live streaming enhances consumer interaction and accelerates purchase decisions, it also requires strict adherence to ethical standards to prevent manipulative practices. As such, regulatory oversight and education for digital entrepreneurs are necessary to ensure consistent application of Islamic principles in digital trade.

From the perspective of *fiqh mu'āmalah*, buying and selling via TikTok Shop is permissible (*ḥalāl*) if all contractual, ethical, and legal conditions are met. This suggests that with proper regulation and commitment to integrity, TikTok Shop can serve not only as a profitable business platform but also as a viable model for ethical and sustainable commerce in the digital economy.

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