

Digital *Hisbah*: A Governance Framework for the Digital Economy

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ABSTRACT

The expansion of the digital economy has introduced significant governance challenges. These challenges include fraud, misinformation, and the erosion of privacy. This study proposes the classical Islamic institution of *al-hisbah* as a relevant ethical and institutional framework for contemporary digital supervision. This study employed a qualitative analytical methodology. It begins with a jurisprudential analysis of classical Islamic legal texts on *al-hisbah*. Next, functional mapping is used to adapt the institution's core principles to the modern digital environment. This study proposes a tripartite governance model for digital *hisbah*. This model advocates collaboration among the state, private sector, and civil society. This structure creates essential checks and balances in the system. It helps mitigate risks such as state censorship or corporate capture. The proposed framework aims to regulate digital commerce, prevent fraud and counter false information, while protecting user rights. The study concludes that a reinterpreted *al-hisbah*, grounded in the higher objectives of Shari'ah (*maqasid al-shari'ah*), provides a structured solution for the ethical governance of digital technology. The tripartite approach is central to ensuring transparent and accountable implementation.

Keywords: Digital *Hisbah*; Islamic Governance; Content Moderation; *Maqasid al-Shari'ah*; Consumer Protection

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INTRODUCTION

The rapid proliferation of digital technologies has fundamentally reshaped the global marketplace. This development has introduced unprecedented opportunities for economic growth (Aldaas et al., 2022). It also presents a complex array of emerging issues that demand urgent regulatory attention. These challenges include the widespread rise in fraudulent digital transactions and the emergence of sophisticated cyber threats. Concerns surrounding data

privacy, algorithmic bias, and the monopolistic tendencies of dominant platforms also exist. These issues erode consumer trust, hinder competition, and compromise systemic stability. Robust and adaptive regulatory frameworks are essential in this regard. Without them, these escalating digital issues risk eroding the integrity of online commerce. They could also exacerbate socio-economic inequalities. Furthermore, they may hinder the full and equitable potential of the digital economy in the future.

This shift in the structure of social and economic activities has posed new challenges for governance. Key issues include the pervasive spread of misinformation, consumer exploitation through deceptive online advertising and weakening data privacy (Fletcher et al., 2023). To address these concerns, ethical frameworks are crucial for guiding both regulatory frameworks and platform design. This study posits that the classical Islamic institution of *al-hisbah* provides a relevant set of principles for addressing these digital challenges.

The historical institution of *al-hisbah* served as a state-endorsed entity responsible for maintaining public order and ensuring ethical practices in the marketplace, guided by *Shari'ah* principles. Its duties included verifying weights and measures, preventing commercial fraud and safeguarding public safety (Al-Mawardi, 1960; Caniago et al., 2024). The *muhtasib* was responsible for carrying out these duties. Today, there is a rapid shift from physical markets to digital platforms. However, the core issues of market failure and public harm persist. With this concern in mind, this study probes the relevance of *al-hisbah* in the digital economy. To achieve this, this study introduces a model that adapts *al-hisbah*'s essential functions for digital governance.

This study is novel in a way that it shifts the focus from purely state-centric or corporate-dominated enforcement to an integrated, multi-stakeholder system tailored to an algorithmic and platform-based market. The model incorporates the state, corporations, and civil society to enhance *al-hisbah*'s presence in the digital marketplace. The study is also unique in proposing the Islamic behavioural norm based on the principles of *al-hisbah*. Most digital platforms and AI governance frameworks today operate within the Western liberal legal paradigm. They are reactive in addressing regulatory compliance since the secular worldview lacks normative behavioral norms. Digital *hisbah* offers a proactive, ethically driven model grounded in *maqasid al-shari'ah*. At the same time, most contemporary Islamic governance literature engages digital technologies in a fragmented way, focusing on selected ethical issues or specific sectors such as finance rather than articulating a comprehensive institutional design. By proposing a unified, tripartite Digital *Hisbah* framework that distributes responsibilities across the state, private platforms, and civil society, this study offers a fresh adaptation of *al-hisbah* for the digital economy.

This study is divided into six sections. The following section outlines the methodology employed to construct the argument, followed by a literature review that positions this study within the existing research gap. Section Four explores the evolution and adaptability of *al-hisbah* over time. In Section Five, the proposed digital *hisbah* model is introduced and discussed. The concluding section summarises the analysis and proposed model, along with potential research directions. This structure has been intentionally adopted to reflect the conceptual and developmental nature of the study and to ensure logical coherence among theory, historical grounding, and model construction.

METHODOLOGY

This study is conceptual and employs a qualitative analytical methodology to construct a framework for digital *hisbah*. The process does not involve collecting empirical data. Instead, it follows a structured three-stage analytical approach to arrive at its conclusions and propose a model.

The first stage involves jurisprudential and conceptual analyses of classical Islamic legal texts. A close reading of foundational works on *hisbah* by jurists such as Al-Mawardi and Ibn Taymiyyah exposes the core functions, principles, and legal boundaries of the classical institution. This stage is essential for understanding the universal objectives of *hisbah* (e.g., consumer protection and prevention of public harm) that can be applied in modern times, rather than merely its historically specific applications.

The second stage involved functional mapping. At this stage, the abstracted principles and functions identified in Stage One are systematically applied to the contemporary digital environment. Direct comparisons and matching are drawn between historical and modern problems. For example, the *muhtasib*'s role in verifying physical weights and measures is mapped onto the contemporary problem of fraudulent online reviews and deceptive advertising. Functional mapping enables a relevant match between the classical roles of *hisbah* and the digital context.

The third stage involves constructing the digital *hisbah* model. After mapping the functions, this study combines three governance approaches into a tripartite model to streamline digital *hisbah*. The model involves the state, the private sector, and the third sector in implementing digital *hisbah*. These models were assessed against a set of criteria, such as potential effectiveness, ethical risks (e.g., censorship), and alignment with al-Hisbah's foundational principles.

The classical sources examined in this study were selected based on three criteria: their recognised authority in Islamic legal and political thought, their explicit treatment of *hisbah* as an institutional mechanism, and their direct relevance to market administration and public welfare. Works by al-Māwardī, Ibn Taymiyyah, and Ibn al-Ukhuwwa were therefore prioritised for their structural-legal, socio-economic, and operational perspectives. Contemporary literature was chosen for its focus on digital governance, platform regulation, AI ethics, and Islamic perspectives on technology, with particular emphasis on peer-reviewed contributions from the last decade that address questions of power, accountability, and digital market regulation.

The functional mapping process applied in this study employs a formal textual reading with systematic analogy. First, the underlying objectives (*illah*) of historical *hisbah* rules, such as verifying weights and measures, preventing fraud, and preserving public order, were abstracted into general regulatory functions. These functions were then mapped onto contemporary digital phenomena, for example, linking the verification of physical scales to the verification of digital asset descriptions, smart contracts, and user reviews. Building on this mapping, the tripartite governance design was evaluated against specific criteria, namely, minimising the risk of authoritarian state censorship, preventing profit-driven corporate capture, and ensuring sufficiently agile, cross-border oversight in the digital marketplace. This combination of *maqasid*-guided objectives and multi-stakeholder institutional design underpins the final Digital *Hisbah* model proposed in the paper.

LITERATURE REVIEW

The scholarly foundation for a discussion of digital *hisbah* rests at the intersection of three distinct but converging fields of study: classical Islamic jurisprudence on public governance, contemporary theories of digital platform regulation, and modern applications of Islamic ethics in technology. The literature review that follows identifies a significant gap in the literature that discusses the relevance of the institution of *hisbah* to the challenges of 21st-century digital governance.

Al-Hisbah: From Classical Institution to Modern Relevance

The primary literature on *al-hisbah* can be found in classical Islamic legal and political theory. Foundational works, such as Al-Mawardi's (d. 1058) *Al-Ahkam as-Sultaniyyah* and Ibn Taymiyyah's (d. 1328) *Al-Hisbah fi al-Islam*, established *hisbah* as an official, state-sanctioned religious duty to uphold public order and morality. These texts framed the *muhtasib* as a key figure in urban administration, occupying a space between the judiciary and law enforcement (Ibn Taymiyyah, 1982). Practical manuals, such as Ibn al-Ukhuwwa's (d. 1329) *Ma'alim al-Qurba*, provided detailed operational guidance, demonstrating the institution's deep integration into the economic and social life of pre-modern Muslim cities (Ibn al-Ukhuwwa, 1938).

To appreciate the potential of digital *hisbah*, it is essential first to understand its classical formulation. This institution represented a formal embodiment of the collective duty to promote good and forbid evil, particularly in regulating market discipline. In principle, *al-hisbah* is the institution responsible for operationalising the Qur'anic injunction of *al-amr bi'l-ma'ruf wa'l-nahy 'an al-munkar*, which translates to "enjoining what is right and forbidding what is wrong." The principle is presented in the Qur'an as a defining characteristic of the Muslim community. While this duty is incumbent on every individual Muslim to some degree, *hisbah* represents its institutionalisation as a public office with specific authority delegated by the state (Ibn Taymiyyah, 1982).

Classical jurists such as Al-Mawardi (d. 1058) defined *hisbah* as a religious post. Its function was to ensure that well-established public duties were carried out and that wrongs were prevented (Al-Mawardi, 1960). It occupies a unique space between the judiciary and the executive administration. Unlike a judge, a *muhtasib* did not require a plaintiff to initiate an investigation first. He can act proactively upon observing public violations. His jurisdiction was limited to transgressions that were apparent and uncontested by jurists. He could not adjudicate complex legal disputes, which were the exclusive domain of the courts (Buckley, 1992). The primary aim was corrective and preventive, not punitive.

The *muhtasib* was the appointed official responsible for carrying out *hisbah* tasks. The role was practical, demanding a combination of legal knowledge, personal integrity, and sound judgment. According to the classical manuals by Ibn al-Ukhūwah (1938), a *muhtasib* had to be a free, adult Muslim of good character, possessing knowledge of the specific Shari'ah rulings relevant to their area of supervision.

The *muhtasib's* duties were extensive and varied. In the marketplace, *muhtasib* would inspect scales and measures to prevent fraud, ensure the quality of goods, prevent hoarding, and monitor transactions for overtly prohibited elements, such as interest (*riba*). In public spaces, *muhtasib's* responsibilities included ensuring the free passage of roads, preventing public nuisances, overseeing the structural integrity of buildings, and ensuring a basic standard of public decorum (Stilt & Saraçoğlu, 2018). The *muhtasib* was expected to act wisely and

proportionally. His interventions ranged from simple advice and admonitions to the physical removal of an offence, such as confiscating faulty scales or dismantling an illegal structure.

Several studies have re-evaluated the concept of *hisbah* using modern theoretical frameworks. Muhamad et al. (2019) connect the historical principles of Hisbah to modern applications, particularly in quality assurance. They argue that the meticulous oversight and ethical standards inherent in the *hisbah* system of the Islamic Golden Age offer valuable lessons for contemporary quality control and assurance practices. Their article highlights how the emphasis on integrity, accountability, and consumer protection within Hisbah can be translated into modern frameworks to ensure high standards in various industries and services in Indonesia.

Fanani & Takayasa (2022) explore the historical development and modern application of *al-hisbah* from its classical origins to its presence in Indonesia. They demonstrate how Hisbah maintains Islamic ethical standards in public and economic life by adapting to diverse socio-political environments. In Indonesia, while the concept of *al-hisbah* is relevant, its functions are typically executed by diverse agencies and initiatives, such as local Sharia police units (Satpol PP Syariah), religious councils, or community organisations, rather than a single, universally named *al-hisbah* entity.

Buckley (1992) conducted a detailed analysis of the *muhtasib's* role, confirming its proactive and extra-judicial nature. Cook (2001) explored the broader societal obligation of "commanding right and forbidding wrong," situating the formal office of *hisbah* into a broader culture of social accountability. Scholarly re-evaluation has shifted the focus from a purely administrative history to an understanding of *hisbah* as a form of moral and economic governance. However, the body of historical work remains focused on past events and their interpretation. While it provides a rich understanding of the institution's classical form and function, it does not systematically apply its principles to non-physical, transnational digital spaces.

Digital Governance

The second field of literature concerns digital platform governance. The central problem identified in this literature is the concentration of power in the hands of a few large technology companies. Gillespie (2018) argues that platforms are not neutral conduits for information. They are active moderators of public discourse, making crucial decisions that shape what can be said and viewed online. The concentration of power in the hands of private corporations creates trust governance deficits.

Klonick (2017) has described platform content moderators as the "new governors" of online speech, operating in a private, non-transparent, and often arbitrary manner. The author posits that major Internet platforms, as the "new governors," are exercising significant power over online speech and effectively creating their own private legal systems for content moderation. The author suggests that, because these platforms operate outside traditional governmental legal frameworks, there is a need to re-evaluate how free speech and governance are applied in the digital age.

A significant portion of this literature focuses on the economic models that drive these platforms. Zuboff (2019) termed this model "surveillance capitalism," arguing that the core business of major platforms is the extraction and analysis of user data to predict and modify human behaviour for profit. The economic logic of surveillance capitalism creates a

fundamental tension between corporate interests and public welfare, particularly regarding privacy and consumer autonomy. Critical algorithm studies have revealed how automated platform systems can amplify social biases, leading to discrimination in advertising and content recommendations (Noble, 2018).

While the field of digital governance diagnoses problems in the digital world, its proposed solutions are typically framed within the legal and philosophical traditions of Western liberalism. These solutions often centre on antitrust enforcement, data protection laws (such as the General Data Protection Regulation, or GDPR) and demands for increased corporate transparency. There is little engagement with how non-Western or religious ethical systems can provide alternative or complementary frameworks for platform governance.

The Call for Islamic Ethics in the Digital Age

The third area of study involves applying Islamic ethical and legal principles to contemporary technology. A developing and growing field of study exists in this area, particularly in Islamic finance and its adaptation to fintech. The extant literature mainly focuses on ensuring Shariah compliance in digital financial products (Hasan et al., 2020). Studies on Islamic fintech demonstrate that Islamic legal principles can be adapted to new technological applications in the financial sector.

Al-Hamdany & Fadhil Mahmood (2023) examine fintech innovations in Islamic finance, including the applications of blockchain for smart contracts, AI for Sharia advisory services, and crowdfunding platforms that adhere to Islamic principles. The author examines challenges such as integrating conventional fintech products into Shari'ah-compliant frameworks, the need for harmonised regulatory standards across diverse jurisdictions, and the imperative to educate consumers and practitioners on these digital offerings. Rabbani discusses the implications for market expansion, risk management, and the potential for Islamic finance to achieve greater global reach and social impact through these technological advancements.

Habib (2025) frames AI ethics by connecting it through the perspective of *maqāṣid al-Sharī'ah*, to provide an ethical framework that transcends Western-centric approaches. This study connects AI's potential societal impacts, both beneficial and detrimental, to the preservation and promotion of essential human welfare concerns (e.g., religion, life, intellect, progeny, and property). By doing so, Habib proposes a robust, culturally grounded ethical guideline for AI development and deployment that prioritises holistic human well-being in accordance with Islamic values.

Other studies have addressed specific digital ethical issues from an Islamic perspective. Analyses of social media ethics have focused on topics such as slander (*ghibah*) and verification (*tabayyun*) (Alnuaimi & Azzi, 2022; Shodiqoh, 2024). Others have explored the concept of privacy in Islam and its implications for data collection by technology firms (Ahyani et al., 2025).

Despite the existing literature on Islamic ethics and technology, which often addresses digital issues in a fragmented manner, it has yet to propose a comprehensive institutional framework for digital governance grounded in the Islamic model of *al-hisbah*. Although the principles have been discussed, a model for their systematic implementation remains absent. This study aims to address this gap. It draws on a detailed juridical and historical understanding of *hisbah*, engages with the specific challenges of platform power and surveillance capitalism identified in the digital governance literature, and moves beyond fragmented ethical analysis to propose

a systematic reconceptualisation of *hisbah* as a functional governance framework for the digital economy.

After critically synthesising these distinct strands of literature, two conceptual gaps are clear. First, conventional platform governance models tend to frame market regulation as a contractual and secular dispute centred on profit maximisation, risk allocation, and legal liability, which often produces trust deficits and opaque enforcement practices. Second, state-centric Islamic governance approaches may provide strong ethical justification but frequently lack the institutional agility needed to supervise transnational, algorithmic environments. The discussions also mainly stuck in the context of *al-hisbah* during the golden Islamic civilization era, with limited attempts to make it relevant to the digital economy. Digital *hisbah* is proposed in this article as a bridge across this divide. It seeks to synthesise the market-corrective tools of digital and platform governance with the welfare-oriented parameters of *maqasid al-shari'ah*, thereby shifting the source of regulatory legitimacy from unilateral corporate or state mandates to a shared ethical obligation. In doing so, it recasts public supervision not as a purely external legal imposition but as an integrated, transparent, and multi-layered socio-economic responsibility.

THE EVOLUTION AND ADAPTABILITY OF *HISBAH*

The functions of *hisbah* are best understood through the framework of *Maqasid al-Shari'ah*, or the higher objectives of Shari'ah. The theory of *Maqasid al-Shari'ah* posits that Shari'ah rulings are designed to protect and promote human welfare by preserving five essential values. These values are the protection of faith (*hifz al-din*), life (*hifz al-nafs*), intellect (*hifz al-'aql*), lineage (*hifz al-nasl*), and property (*hifz al-mal*) (Auda, 2008).

The work of the *muhtasib* directly served these objectives. By ensuring fair trade and preventing fraud, the *muhtasib* protected the property (*mal*). He protected life (*nafs*) by removing public hazards and ensuring food safety. The institution served as a mechanism for achieving public benefit (*maslaha*) and preventing public harm (*mafsada*). The grounding of *hisbah* in *maqasid* allows the institution's principles to be adapted to new contexts. The goal of this study is not to replicate the exact actions of a historical *muhtasib* but to apply the underlying purpose of preserving these five essential values in the contemporary digital environment.

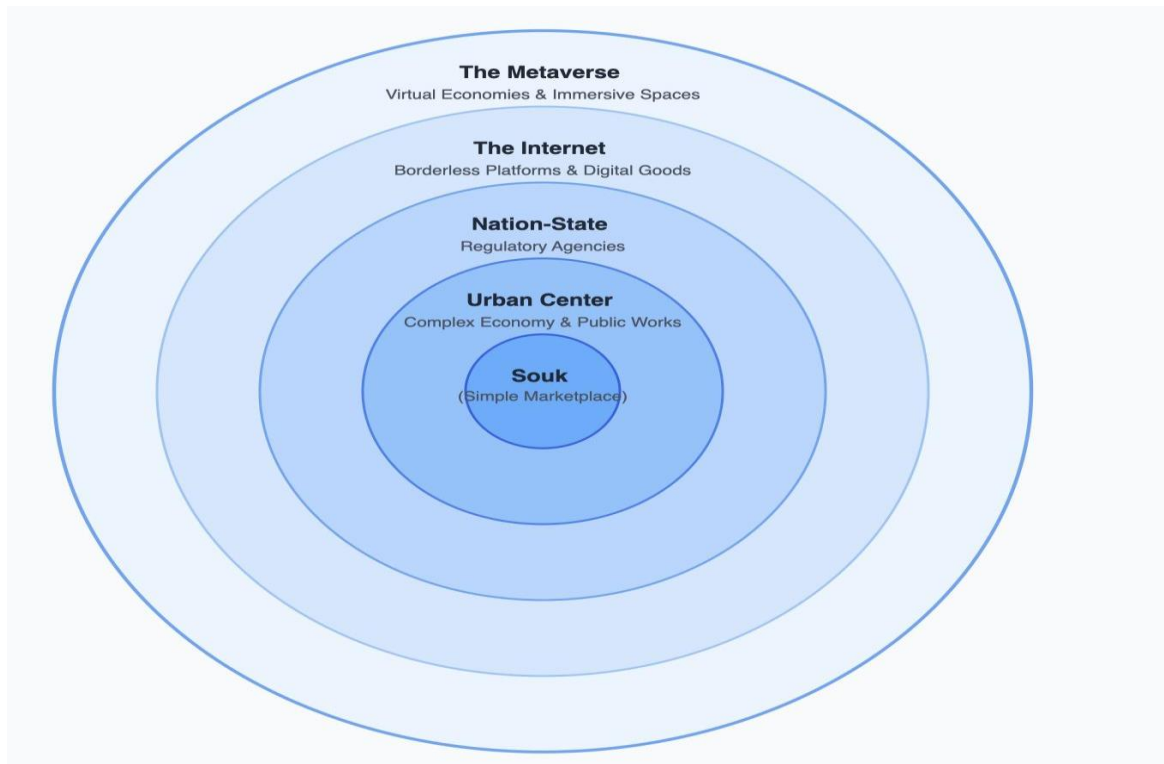
Hisbah is an evolving institution. Its scope and methods have evolved in direct response to increasing social and economic complexity, as illustrated in Figure 1. The figure illustrates *the adaptive trajectory of hisbah* using a concentric-expanding-circle model. It illustrates how *Hisbah*'s jurisdiction needs to adapt to increasing socio-economic complexity. It begins with a simple marketplace (*souk*). It then expanded to complex urban centres and then to the modern regulatory state. The final two circles represent the internet and the metaverse, underscoring the need for digital *hisbah*.

In early Islamic history, the *muhtasib*'s role was primarily focused on the simple, physical marketplace (*souk*), ensuring honesty in basic transactions, such as the sale of foodstuffs, as prescribed in the classical manual for *muhtasib* by Ibn al-al-Ukhūwah (1938). As Muslim cities grew into larger urban centres under empires such as the Abbasids and Ottomans, the *hisbah*'s jurisdiction expanded significantly. The *muhtasib* became responsible not only for fair trade but also for urban planning, upholding building codes, monitoring the professional ethics of physicians and teachers, and ensuring the cleanliness of public infrastructure (Ezzerouali,

2025). This historical precedent demonstrates that the institution's function has adapted to its environment's needs.

The transition from the pre-modern physical world to the contemporary digital world presents unprecedented challenges. This development demands a correspondingly significant evolution in the oversight. The internet introduces borderless jurisdictions, intangible goods, algorithmic decision-making, and a new scale of anonymity, complicating accountability (Fletcher et al., 2023). The emergence of immersive virtual worlds, such as the Metaverse and Second Life, presents an unprecedented challenge. Introducing new jurisprudential questions that classical *hisbah* never had to consider: for example, Nurhidayah et al. (2025) explore how the principles of property protection (*hifz al-mal*) apply to purely digital assets, such as Non-Fungible Tokens (NFTs), particularly regarding issues of *gharar*.

Figure 1
The Adaptive Trajectory of Hisbah



Nurhidayah et al. (2025) consider the Islamic jurisprudential perspective to ascertain their permissibility and operational guidelines under Sharia law. The study analyses various forms of digital assets (cryptocurrencies and NFTs) by scrutinising their underlying characteristics against established Islamic legal concepts such as *maal* (wealth), *'ayn* (tangible asset) and *manfaah* (usufruct). This categorisation enables them to provide methodological frameworks to recognise inherent uncertainties and to suggest pathways for the legitimate integration of digital assets into Islamic financial offerings.

Furthermore, what constitutes "public" space and "public" harm when interactions occur between avatars in a persistent virtual environment? Developing ethical governance, *fiqh* rulings and an Islamic economic framework for these virtual realities is a critical task for

contemporary Islamic scholars (Fikri et al., 2024). Throughout history, the concept of *hisbah* has demonstrated a remarkable ability to adapt to new circumstances. In the present day, however, the rapid pace of technological progress presents a challenge for scholars and policymakers, who struggle to keep up. The current lack of sufficient oversight, regulation and discipline in the digital sphere is akin to a "wild west" environment. This situation highlights the pressing need to establish a digital *hisbah*.

In developing the digital *hisbah* model, it is essential to contextualise the classical *hisbah* roles in the digital era through functional mapping. Although the context is digital, the fundamental social and economic interactions that necessitate oversight remain comparable to those in the historical context. The digital marketplace and public space are now within the jurisdiction of the *muhtasib*. The essential functions of al-*hisbah* within the context of the digital environment are outlined below:

- *Regulating digital commerce*: The application of *hisbah* finds direct modern similarities in the regulation of digital commerce, akin to the role of the classical *muhtasib*, who served primarily as a market inspector. The historical duties of the *muhtasib* closely align with the contemporary challenges in e-commerce, as discussed by Siswadi & Soemitra (2022). They conduct a literature review exploring the intersection of *fiqh muamalah* (Islamic commercial jurisprudence) with digital business transactions, specifically e-commerce, to identify existing interpretations and unresolved issues. Their study highlights how classical Islamic contractual principles (e.g., *ijab qabul*, *qabd*) are being reinterpreted and adapted to fit the unique characteristics of online buying and selling, addressing questions of virtual presence, digital signatures, and the nature of exchange in a virtual world. The authors synthesise the current academic discourse to map key challenges and propose areas for further research to develop robust Sharia-compliant frameworks for the rapidly evolving digital economy. Transparency, honesty, and the prevention of fraudulent activities are key concerns that resonate with the traditional responsibilities of the *muhtasib*. Thus, a digital *hisbah* role could encompass auditing e-commerce platforms to detect systematic manipulation of digital transactions and verify the authenticity of online contracts.
- *Fraud prevention*: It involves identifying and flagging online scams, phishing schemes, and counterfeit goods. A digital *hisbah* would address these issues as an independent auditor, focusing on consumer protection rather than assigning liability to platforms. Implementing a digital *hisbah* framework would involve integrating advanced technologies, such as artificial intelligence and machine learning, to analyse patterns of fraudulent behaviour and identify emerging threats in real time. This system would work in conjunction with existing platform security measures to provide an additional layer of scrutiny and verification. By operating independently, digital *hisbah* can provide unbiased assessments and recommendations to establish more robust, standardised fraud prevention practices across various online platforms. This approach aims to reduce fraud in the system. It also ensures a more trustworthy and secure digital environment for consumers and businesses.

Modern *hisbah* can therefore provide guidelines for digital platforms by emphasising transparency, ethical conduct, and consumer protection. This framework requires platforms to implement robust verification processes for user reviews, ensure accurate product descriptions, and maintain clear pricing policies. It may also mandate disclosure of data-collection practices and the use of algorithms to protect user privacy. *Hisbah* can also guide the development of dispute resolution mechanisms and fair advertising practices. Adapting and enforcing these ethical standards for digital service providers and

platforms can enhance trust, improve competition, and protect user interests in online marketplaces.

Machine learning algorithms can be trained to conduct real-time Shariah compliance audits in the digital market. It automates the detection of prohibited financial terms and fraudulent marketing techniques. The 'algorithmic *muhtasib*' framework provides a concrete structure for the idea of digital *hisbah*. It also stresses that such a system must be designed with human oversight to correct for algorithmic bias, ensuring that the AI's decisions align with the ethical objectives of *hisbah* (Kismawadi, 2025).

Blockchain technology, as a distributed, immutable ledger, provides a tool for ensuring transparency in the supply chain. Its most promising application for digital *hisbah* is verifying halal supply chains. In a blockchain-based system, every step of the supply chain can be recorded as a transaction on a ledger, creating a transparent and auditable record (Ali et al., 2021). A digital *Hisbah* authority can act as an auditor of this system and verify the integrity of products digitally.

- *Compliance check*: The *Hisbah* function is critical for ensuring Shariah compliance in Islamic fintech. The prohibition of *riba* (interest) and *gharar* is a central tenet of Islamic finance. Digital *hisbah* could involve inspecting smart contracts and peer-to-peer lending applications to ensure that their operations align with established Islamic financial principles. Such oversight provides an external layer of assurance beyond a platform's own Shariah advisory board (Hassan et al., 2020).

A digital *hisbah* can also ensure transparency by verifying that project details and funding goals are accurately represented. The *hisbah* function could involve auditing platforms to confirm that funds are correctly allocated to stated projects and that appropriate risk disclosures are provided to investors. *Hisbah* could also include dispute-resolution mechanisms between funders and project creators to ensure safe, secure digital transactions.

- *Preventing the spread of false or fake information*: The *muhtasib*'s role also involves ensuring the flow of accurate, verified information in the market. *Muhtasib*'s duties include preventing public speeches that could lead to social discord (*fitnah*). A digital *hisbah* framework prioritises the principle of *tabayyun*, or verification of information. The Qur'anic injunction (Qur'an, 49:6) provides a basis for combating the spread of false information. Harizan & Mydin (2024), for example, argue that *tabayyun* is the primary Islamic ethical tool for countering fake news and its application requires a critical and investigative mindset from media consumers. A digital *hisbah* function would therefore operationalise this principle by flagging verifiably false content and promoting credible information sources.

A digital *hisbah* function would also address online slander and defamation, serving a role equivalent to the original *muhtasib*'s in preventing public insults. A digital equivalent would establish mechanisms for adjudicating cases of online harassment, operating as an alternative dispute resolution system.

- *Ensuring public harmony*: The application of *hisbah* to public morals or moral policing is the most sensitive area for translation. The direct application of the *muhtasib*'s duty to prevent violations of public morality raises valid concerns about privacy and freedom of expression. A conceptualised digital *hisbah* must operate within strict boundaries, the

foremost of which is the distinction between public and private behaviour. The jurisdiction of *hisbah* is limited to public and manifest matters. It would have no role in monitoring private communication.

One application is protecting minors from publicly accessible harmful content. A digital *hisbah* function could involve promoting effective content-filtering technologies and rating systems for online platforms. Another area is addressing organised online harassment and cyberbullying issues. When bullying becomes a public campaign intended to intimidate, it constitutes a public wrong (*munkar*). A digital *hisbah* body could offer a platform for victims to report such campaigns and intervene by requesting platforms to enforce their terms of service (Inayah & Nugroho, 2024).

DIGITAL HISBAH MODEL: THE TRIPARTITE APPROACH

The discussion thus far highlights crucial areas where digital *hisbah* is needed to supervise and regulate the digital world. Proposing a digital *hisbah* framework requires consideration of its implementation. A central issue in this debate is the institution's form and substance. Recent studies have explored this issue.

Through an investigation study of several Muslim-majority states, studies mention that *hisbah* has not disappeared but has been "unbundled." Its core functions are now performed by various modern regulatory bodies (Altair, 2025; Anwary, 2023; Fanani & Takayasa, 2022). For example, in Malaysia, consumer protection and fair trade are managed by the Ministry of Domestic Trade and Cost of Living (KPDN). In contrast, public order is handled by the Royal Malaysia Police (PDRM). In essence, the studies argue that the norm-cliché of *hisbah* is not common in many Muslim countries, but its substance appears in various forms of regulatory agencies. For the proposed digital *hisbah* model, the same setting of having various digital actors is considered.

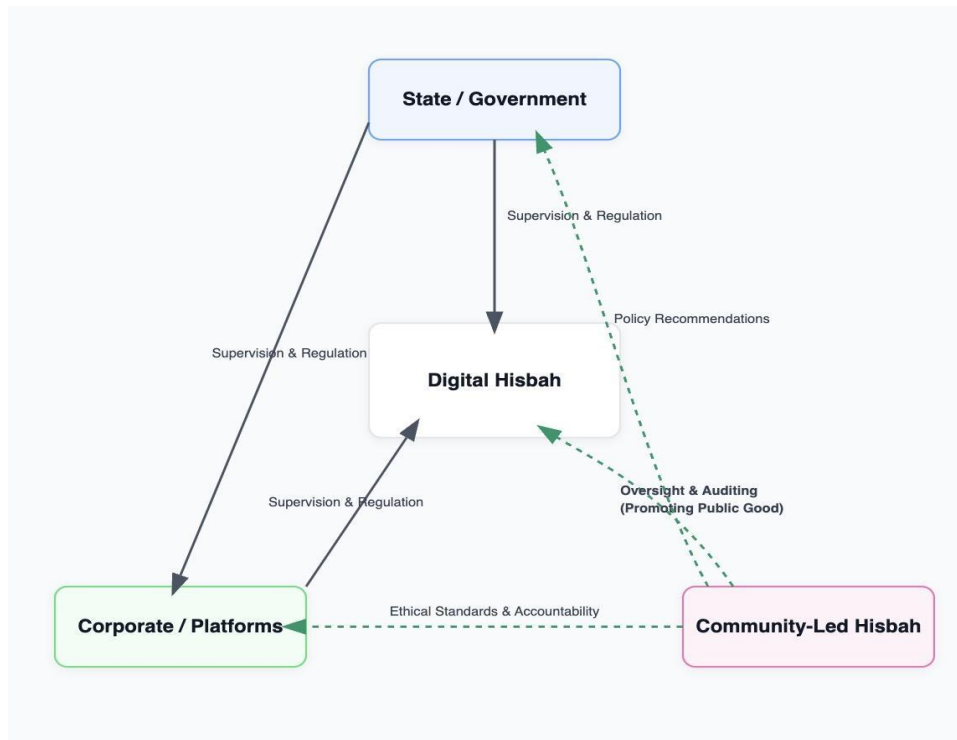
Based on the understanding derived from the above discussions, the conceptual framework of the proposed digital *hisbah* model is illustrated in Figure 2. This model entails tripartite collaboration among the public, private and third sectors. To function effectively, digital *hisbah* derives its authority from the state, positioning it as a state regulatory body. However, its board members may include individuals from the private and third sectors. Such structures are commonly found in the boards or memberships of many municipal councils across various countries. The private sector, including companies that own digital platforms and the third sector, such as digital advocacy groups, engage in digital *hisbah* by assuming advisory roles. Their efforts involve offering policy recommendations to the government, ensuring corporate accountability and conducting independent audits.

The proposed tripartite approach for digital *hisbah* offers enhanced checks and balances and greater transparency in overseeing and regulating the rapidly evolving digital marketplace. In the absence of this tripartite structure, the *hisbah* operates as a state-led agency responsible for digital oversight. Although a state-led model is consistent with the traditional concept of *hisbah*, there is a significant risk that authoritarian regimes could manipulate such an entity to exert control, commit abuse, and engage in corruption. Moreover, the borderless nature of digital platforms demands flexible responses. Relying on bureaucrats to quickly understand and keep up with the digital world may lead to recognition, administrative, and enforcement lags. However, with the involvement of the private and third sectors, the identification and

recognition of issues, problems, and challenges can be minimised, as they are the first to engage directly with these concerns.

The creation of a digital *hisbah* is advanced by encouraging technology firms to form a unified body to establish ethical guidelines. By engaging in mutual consultation with industry participants, it is expected that newly implemented regulations will not impede innovation.

Figure 2
A Tripartite Governance Model for Digital Hisbah



Currently, the digital domain, including the metaverse, experiences minimal regulatory oversight. Companies such as Meta, which owns Facebook, set their own rules in the metaverse. The central issue arising from this situation is the inherent conflict of interest. Industry-initiated guidelines may prioritise corporate profits over consumer welfare. Additionally, many of the largest digital platforms are secular, multinational corporations. These entities may not understand or share the specific Islamic ethical objectives that underpin *al-hisbah*. The misalignment of ethical objectives makes the implementation of good faith difficult. Furthermore, multinational corporations are structured to exploit loopholes in diverse legal systems. The practice of regulatory arbitrage suggests that they could undermine the substance of a digital *hisbah* framework while maintaining superficial compliance (Akpobome, 2024).

In this model, the participation of a community-led or civil society initiative is envisioned through an independent NGO that includes scholars, technology experts, and consumer advocates. Such a body, without the state and corporations, would lack direct enforcement power. Its authority derives from its expertise and public trust, and it functions as a watchdog. A community-led model avoids the risks of state coercion and corporate capture; however, its effectiveness depends on its ability to influence platform behaviour.

An unmanaged application of the duty to "forbid evil" can lead to digital vigilantism, such as online shaming campaigns and doxxing. The behaviour of digital vigilantes is contrary to the principles of classical *hisbah*, which require that the *muhtasib* be an appointed, knowledgeable official who acts to correct, not to shame. A formal digital *hisbah* framework can mitigate this risk by providing an official channel for grievances. It would institutionalise the process, replacing vigilantism with a predictable and rights-respecting system of oversight.

The foremost ethical issue with digital *hisbah* is its potential to legitimise surveillance and censorship. To ensure its legitimacy, digital *hisbah* must be grounded in principles that protect privacy and free expression. Its operations must be transparent, with publicly accessible rules specifically designed to prevent identifiable harm. It should adhere to the principles of necessity and proportionality, and a robust appeals process should be established. Furthermore, the framework must firmly uphold the right to privacy. The jurisdiction of *hisbah* is limited to public domains, with no authority over private communication or personal data. The proposed tripartite approach for digital *hisbah* in this study seeks to address and minimise these concerns.

To clarify how the proposed digital *hisbah* framework builds upon and departs from both classical *al-hisbah* and contemporary secular governance paradigms, Table 1 presents a comparative overview across several core governance dimensions.

Table 1
Comparative Analysis of Digital Hisbah and Existing Governance Frameworks

Governance Dimension	Western Liberal/Secular Paradigm	Classical <i>Al-Hisbah</i> (Physical Market)	Digital <i>Hisbah</i> (Proposed Model)
Ethical Grounding	Legal liability, contractual dispute, and risk allocation.	Religious duty: Enjoining what is right and forbidding what is wrong (al-amr bi'l-ma'ruf wa'l-nahy 'an al-munkar).	Maqasid al-shari'ah: Preserving faith, life, intellect, lineage, and property.
Enforcement Philosophy	Reactive: Focuses on addressing regulatory compliance after violations occur.	Proactive: The <i>muhtasib</i> acts upon observing public violations without needing a plaintiff.	Proactive and Predictive: Utilizes AI and real-time audits to detect fraud and non-compliance early.
Governance Structure	Corporate-dominated or state-centric regulation (e.g., antitrust, GDPR).	State-led agency with an appointed official (<i>muhtasib</i>).	Tripartite: Collaboration among the State, private sector (platforms), and civil society.
Market Supervision Role	Neutral conduct/private governors managing content and data extraction.	Market inspector verifying physical weights, measures, and preventing fraud.	Algorithmic <i>muhtasib</i> auditing e-commerce, smart contracts, and Halal supply chains via blockchain.
Information Management	Moderation based on platform terms of service; susceptible to misinformation.	Preventing public speeches leading to social discord (<i>fitnah</i>) and ensuring market honesty.	Tabayyun (verification): Flagging verifiably false content and addressing online slander.

To operationalise this framework, the specific responsibilities and mechanisms of the tripartite model can be outlined as follows. The state, as the primary source of legal authority, is responsible for setting broad regulatory guidelines, defining legal boundaries for digital *hisbah* interventions, licensing or accrediting relevant bodies, and providing judicial backing for enforcement where compulsory measures are required. Digital platforms are tasked with technical integration and day-to-day operational compliance, such as implementing transparent

content moderation policies, code-level verification procedures, and AI-assisted auditing tools to detect fraud, misinformation, and non-compliance. Civil society actors, such as consumer associations, *'ulamā'* councils, and independent oversight organisations, function as a public watchdog by monitoring both state agencies and platforms, conducting external audits and providing avenues for user complaints. Accountability is supported through public reporting, independent audits, and accessible grievance mechanisms. Disputes that cannot be resolved at the platform level can be channelled through structured alternative dispute resolution processes made up of qualified experts and, where necessary, brought to formal *hisbah* or judicial bodies operating under clear procedural guidelines.

CONCLUSION

This study argues that the classical Islamic institution of *al-hisbah* offers a structured framework for digital governance. The institution's functions are grounded in the objectives of Shari'ah (*maqasid al-shari'ah*), which provide a stable basis for its application to new challenges. Realising that digital *hisbah* could be co-opted for surveillance and censorship is significant; therefore, any modern implementation must be bound by the principles of transparency, proportionality, due process, and privacy.

To address this concern, the proposed digital *hisbah* model is structured around a tripartite approach that comprises the state, private companies, and a community-led body. This framework is designed to mitigate the risks of state authoritarianism and corporate conflicts of interest. The community-led body functions as an independent watchdog. Digital *hisbah* will utilise technological tools such as AI for auditing and blockchain to ensure transparency.

The proposed model suggests that a reinterpreted *hisbah* can serve as a relevant framework for ethical digital supervision. Future research on this reinterpretation of the *hisbah* framework should focus on three key areas: first, it is essential to develop detailed policy proposals to translate the theoretical model into actionable guidelines for practical implementation. Second, implementing pilot programs will yield empirical data on the effectiveness and challenges of community-led *hisbah* institutions in digital spaces. Finally, examining the scalability and adaptability of this model across diverse cultural and legal contexts will further enhance its global applicability.

We acknowledge some limitations of this conceptual model and hope future research will refine this idea further. This study only briefly outlines the operationalisation of digital *hisbah*. The implementation challenge lies in jurisdictional and regulatory friction, as global digital platforms operate across multiple legal systems. Here, making uniform application of digital *hisbah* principles is inherently difficult. There is also a risk of state overreach, where supervisory powers associated with *hisbah* could be used to legitimise excessive surveillance or to suppress dissenting but non-harmful expression. Similarly, multinational corporations might adopt superficial "Shariah-compliance" labels without substantively aligning their practices with *maqasid*-based criteria. Future empirical and comparative research should therefore examine specific pilot initiatives, explore how digital *hisbah* could be adapted to different constitutional and regulatory settings, and develop mechanisms to guard against co-optation, performative compliance, and discriminatory enforcement.

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