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ISLAMIC DIGITAL INHERITANCE IN MALAYSIA: THE ROLE OF POLICYMAKERS

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ABSTRACT

The adoption of e-wallet in Malaysia are proliferating with 90 percent of the Malaysia actively use e-wallet, has introduced significant challenges in its inheritance. Despite the widespread adoption of e-wallet, existing e-wallet service providers policies do not address the transfer of digital assets upon the account holder's death. This will add the existing gap on billions of ringgits in unclaimed money and raises concerns about compliance with both Islamic inheritance laws and financial regulations. This study aims to examine the role of policymakers in addressing these challenges and ensuring the inheritance of e-wallet could occur. Hence, to achieve this objective, qualitative research approach including library-based research and semi-structured interviews with key stakeholders such as lawyer, estate planner and e-wallet service providers have been conducted. The findings revealed the critical role of Bank Negara Malaysia in establishing structured and legal procedural frameworks for e-wallet inheritance. Key informants emphasize the need for mandated policies, standardized procedures and enhance regulatory oversight to facilitate the proper transfer of e-wallet to the heirs. With unclaimed money reaching RM12 billion in 2024, this study highlights the urgent need for regulatory intervention and proposes a policy framework that integrates shariah principles with digital finance governance. This will endure the legal clarity, financial sustainability, and the protections of Muslims heirs' rights in Malaysia's evolving digital economy.

Keywords: digital assets, e-wallet, *faraid*, inheritance, Malaysia

INTRODUCTION

The increasing prevalence of e-wallets in Malaysia has introduced significant challenges in its inheritance, with profound implications for families, economic stability and the nation's digital ecosystem. As of 2024, an estimated 90% of Malaysian actively use e-wallet (Oppotus, 2024). The market is largely dominated by six major providers – Touch 'n Go E-wallet, MAE, GrabPay, Boost, ShopeePay, and BigPay – reflecting a shift towards digital financial management (Oppotus, 2024). However, despite their widespread adoption, an analysis of these platforms' terms and conditions reveal critical shortcomings in inheritance policies, leaving digital assets in regulatory grey area.

From Islamic perspective, inheritance is a fundamental principle enshrined in *Maqasid al-Shariah*, which emphasizes the protection and rightful distribution of wealth. However, the absence of a clear inheritance mechanism for e-wallets presents legal, regulatory and operational uncertainties, complicating the rightful transfer of digital assets. These gaps not only place heirs in financially vulnerable positions but also create disputes over ownership and accessibility. Moreover, the lack of structured legal frameworks in Malaysia exacerbates these challenges, as many heirs unaware of the deceased's digital assets or lack the knowledge to navigate their management effectively (Kirillova et al., 2015).

Furthermore, existing terms of service established by e-wallet providers often conflict with inheritance principles, particularly due to privacy regulations that restrict access to digital accounts (Kirillova et al., 2015). These legal and regulatory ambiguities further highlight the urgent need for a comprehensive framework that reconciles the rights of heirs with the policies of e-wallet service providers.

A substantial portion of unclaimed money may be linked to inaccessible e-wallet accounts. To substantiate this, it is essential to consider the definition of unclaimed money under Section 8 of the Unclaimed Money Act 1965, which includes funds that remain unpaid for at least 1-year, dormant account balances for 7 years, and inactive trade accounts for 2 years. Additionally, Bank Negara Malaysia (2025) stipulates that e-money balances inactive for 7 consecutive years, or any period specified by the Accountant General's Department, shall be classified as unclaimed money and transferred to the Registrar of Unclaimed Money. Given this framework, there is potential for digital assets, including e-wallet funds, to be recognized as unclaimed money. Beyond legal concerns, the economic impact of unclaimed digital assets highlight the urgency of addressing this issue. As of 2024, Malaysia recorded RM12 billion in unclaimed money, up from RM11.2 billion in 2023 (The Star, 2024). The failure to integrate these assets into the economy disrupts financial circulation and hinders sustainable economic development, reinforcing the need for an effective system to facilitate asset transfer.

Security concerns also pose additional challenges, as e-wallets are highly susceptible to cyber threats such as hacking, fraud, and unauthorized access. The absence of standardized regulations and oversight increases these risks, exposing heirs to potential financial losses (Ravi et al., 2019). Additionally, technological barriers—such as forgotten passwords, lost encryption keys, and account recovery difficulties—can render valuable digital assets permanently inaccessible, further complicating the inheritance process (Omoola & Ibrahim, 2023).

Moreover, while previous studies have explored the legal and financial aspects of e-wallet, there remains a significant gap in understanding the role of policymakers in shaping regulatory framework for e-wallet inheritance in Malaysia. The findings offer valuable insights for policymakers, regulators, financial institutions in developing structured and shariah compliant approach to digital inheritance.

Islamic jurisprudence strongly advocates for a fair and well-regulated inheritance system. The hadith narrated by Ibn ‘Abbas reinforces this principle:

"Give the fara'id (prescribed shares of inheritance) to those entitled to receive them. Then, whatever remains should be given to the closest male relative of the deceased."

This hadith highlights the necessity of ensuring that digital assets, including e-wallets, align with Shariah-compliant inheritance principles. However, achieving this balance requires addressing tensions between digital privacy laws, financial regulations, and Islamic inheritance rules.

Hence, this study aims to examine the role of policymaker in e-wallet inheritance in Malaysia, integrating Shariah principles with contemporary financial practices.

LITERATURE REVIEW

Islamic Inheritance Principles

Islamic inheritance law, commonly referred to as *fara'id*, is primarily derived from the Quran and Hadith, which outline the distribution of wealth after a person's death. These divine sources provide a structured framework that ensures fairness and equity among heirs. The introduction of this system marked a significant departure from pre-Islamic tribal inheritance customs by establishing individual property rights, particularly for women (Hennigan & Powers, 2000). While traditional Islamic inheritance laws have been extensively studied, the emergence of digital assets presents new challenges that require scholarly attention.

The Quran provides detailed and explicit instructions on inheritance, primarily in Surah An-Nisa (verses 11, 12, and 176), which specify the proportionate shares of various heirs, including children, parents, and spouses (Azizah et al., 2023). These verses serve as the cornerstone of Islamic inheritance law and are often described as miraculous due to their comprehensiveness and clarity (Hasan & Alam, 2022). However, while the Quran outlines the general framework, it does not address all possible inheritance scenarios. Consequently, the Hadith, which comprises the sayings and actions of Prophet Muhammad, further elaborates on inheritance matters. Authenticated narrations in *Sahih Bukhari* and *Sunan al-Tirmidhi* provide supplementary guidance, particularly concerning unique cases such as the inheritance rights of converts and non-Muslims (Sevara & Akadiri, 2021; Yusuf, 2017).

One of the most transformative aspects of Islamic inheritance law is the recognition of women's rights to property. In contrast to pre-Islamic customs, where women were often excluded from inheritance, Islamic law grants them specific shares, ensuring their financial security and independence (Hennigan & Powers, 2000). This reform represents a fundamental shift in socio-legal norms, reinforcing the Quranic principle of economic justice. However, although these rights are clearly defined in Islamic texts, cultural practices and legal systems in some Muslim-majority countries continue to impose restrictions, limiting women's ability to fully exercise their inheritance rights.

Since the Quran and Hadith provide foundational principles but do not address every conceivable inheritance scenario, Islamic scholars have employed jurisprudential methods such as *Ijma* (consensus) and *Qiyas* (analogical reasoning) to derive rulings for complex cases (Uddin, 2021). These methodologies enable scholars to interpret inheritance laws in a way that accommodates evolving societal needs. For instance, Islamic law considers special circumstances, including the rights of unborn children, missing persons, and simultaneous deaths, demonstrating its adaptability (Uddin, 2021). Nevertheless, despite its flexibility, traditional Islamic inheritance law does not explicitly address the classification or transfer of digital assets, necessitating further scholarly inquiry.

E-wallet as Digital Assets

The rise of digital assets, including cryptocurrencies, e-wallets, and social media accounts, has introduced new dimensions to wealth management. E-wallet, also referred to as digital wallets, have become an integral component of the modern financial ecosystem, serving as essential digital assets that facilitate seamless transactions (Amuthasurabi et al., 2024). These software-based platforms securely store payment credentials and personal identification details, enabling users to conduct electronic transactions efficiently and securely (Amuthasurabi et al., 2024). Initially developed to promote cashless transactions for individuals and small businesses, e-wallets function as digital repositories for funds eliminating the need for physical payment cards (Abu Bakar et al., 2020; Mohammed et al., 2024).

E-wallets are designed as internet-based payment solutions that serve as digital alternatives to traditional wallets, offering a wide range of functionalities to enhance transactions efficiency and security (Jinimol, 2018). One of their primary features is the secure storage of financial and personal information, which allows users to execute online payments, transfer funds, and manage multiple financial accounts with ease (Jinimol, 2018). Similar to debit cards, e-wallet facilitate digital transactions through preloaded balances, providing users with a convenient and flexible payment method (Jinimol, 2018).

Additionally, e-wallet integrates multiple payment options, enabling users to link debit and credit cards for seamless financial management. Many platforms incorporate QR code technology, allowing users to scan merchant-provided QR codes to complete transactions swiftly (Samsudin & Kasiran, 2023; Shetty & Shetty, 2014). To enhance security, e-wallet often requires authentication measures such as PIN entry and biometric verification, including fingerprint or facial recognition, to ensure that only an authorized user can access and utilize stored funds (Samsudin & Kasiran, 2023).

Beyond their basic functionalities, e-wallets support diverse payment methods, including contactless transactions, aligning with the increasing demand for touchless payment solutions (Amuthasurabi et al., 2024). They are widely accepted for retail transactions, online purchases, and point-of-sale payments, including vending machine purchases (Jinimol, 2018; Samsudin & Kasiran, 2023). By offering enhanced convenience, security, and accessibility, e-wallets continue to transform the financial landscape, reinforcing their role as a vital tool in the digital economy.

In Islamic jurisprudence, an asset must possess economic value and legal ownership to be classified as *mal* (property), and scholars increasingly acknowledge that digital assets meet this criterion (Abd Wahab et al., 2023). Given their financial significance, digital assets should theoretically be included in inheritance distributions under *faraid* (Mahomed & Ramadili Mohd, 2017). However, due to their intangible nature, issues surrounding their transfer and ownership remain contentious (Abd Wahab et al., 2023; Amrullah et al., 2023; Kamis et al., 2023). While some Islamic scholars argue that digital assets should be treated similarly to conventional wealth, others highlight the need for new jurisprudential mechanisms to facilitate their inclusion within the Islamic inheritance system (Mayasari et al., 2023; Sabri, 2022).

From an Islamic finance perspective, concerns have been raised about the compliance of e-wallets with Shariah principles. While conventional e-wallets operate under existing financial regulations, whereas the development of Shariah-compliant digital payment models remains in its early stages. Islamic financial principles prohibit *riba* (interest), *gharar* (uncertainty), and *maysir* (gambling), raising questions about the permissibility of transaction fees, cashback rewards, and third-party investments associated with e-wallet platforms (Naim et al., 2023). According to Bank Negara Malaysia (2020), Shariah Advisory Council (SAC) of Bank Negara Malaysia had issued their shariah ruling that that e-

wallets are classified as electronic money (*e-money*) under Islamic finance, provided they are structured in accordance with Shariah-compliant contracts to protect the rights and obligations of the contracting parties. Although this ruling affirms the permissibility of e-wallets in Islamic finance, the absence of standardized regulatory frameworks continues to pose a challenge to the widespread adoption of Shariah-compliant digital financial services (Ahmad & Latif, 2022).

E-wallet from Malaysian Legal Perspective

The digital economy in Malaysia has experienced a significant transformation with the rapid adoption of electronic wallets (e-wallets) as a primary mode of financial transactions. These digital payment systems store financial and personal information electronically, allowing users to conduct cashless transactions without the need for physical credit or debit cards (P, 2018). Functioning as digital money accounts, e-wallets facilitate payments for goods and services, fund transfers, and various financial activities through integrated hardware and software systems (Shah & Rathod, 2022). With their ability to operate on mobile devices and computers, e-wallets communicate with merchants via the internet, Bluetooth, or mobile networks, further enhancing transaction efficiency and accessibility (P, 2018). However, alongside their increasing use, legal and regulatory challenges have emerged, necessitating a comprehensive legal framework to govern their operation. While regulatory bodies such as Bank Negara Malaysia (BNM) have implemented guidelines to regulate e-wallet providers, several concerns persist, particularly in areas such as consumer protection, data security, fraud prevention, and compliance with Islamic financial principles (Noor et al., 2021). Given the evolving nature of digital finance, it is crucial to examine the existing legal landscape, identify regulatory gaps, and explore the role of policymakers in addressing these challenges.

The legal framework governing e-wallets in Malaysia primarily falls under the jurisdiction of BNM, which regulates their operation through several legislative instruments, including the Financial Services Act 2013 (FSA) and the Islamic Financial Services Act 2013 (IFSA) (Noor et al., 2021). Under these regulations, e-wallet providers are classified as non-bank financial institutions and are required to obtain an e-money license from BNM. Additionally, the Payment Systems Act 2003 and the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 impose stringent compliance obligations on e-wallet operators to curb financial crimes such as money laundering and fraud (Yusoff, 2022). While these regulations provide a foundational legal structure, their effectiveness depends on continuous adaptation to accommodate technological advancements and emerging financial risks.

Consumer protection remains a critical legal issue in e-wallet transactions, particularly regarding data security, fraud, and liability for unauthorized transactions. Although the Consumer Protection Act 1999 provides some degree of protection for e-wallet users, it lacks specific provisions that address the unique risks associated with digital transactions (Kamis et al., 2023). Furthermore, the Personal Data Protection Act 2010 (PDPA) mandates e-wallet providers to implement safeguards to protect user information. Despite these legal provisions, incidents of data breaches and unauthorized access to digital wallets continue to raise concerns about the adequacy of existing security measures (Razali et al., 2020). However, many users perceive e-wallets as safer than carrying cash due to security features such as password protection and biometric authentication (Shah & Rathod, 2022). As such, there is a growing need for policymakers to strengthen consumer protection frameworks by introducing stricter security requirements, increasing liability for service providers, and ensuring that users have clear avenues for legal recourse in cases of financial loss.

Another pressing concern relates to anti-money laundering (AML) compliance in the e-wallet ecosystem. Given the potential for misuse of digital wallets in illicit financial activities, stringent

enforcement of AML regulations is essential. Malaysia has implemented compliance mechanisms aligned with the recommendations of the Financial Action Task Force (FATF), requiring e-wallet operators to establish Know-Your-Customer (KYC) procedures and real-time transaction monitoring (Noor et al., 2021). Despite these efforts, challenges remain, particularly in cross-border transactions, where jurisdictional differences complicate enforcement (Yusoff, 2022). The rapid evolution of financial technology further necessitates proactive regulatory interventions to enhance transparency and accountability in e-wallet operations.

One major legal gap in the governance of e-wallets concerns the clarity of contractual relationships between users, merchants, and service providers. Unlike traditional banking contracts, the terms and conditions of e-wallets often lack explicit provisions on dispute resolution and liability allocation in cases of unauthorized transactions (Abu Bakar et al., 2024). Furthermore, uncertainties persist regarding the legal status of e-wallet balances, particularly whether they constitute legal tender or stored value assets under financial law. Unlike savings accounts, e-wallets do not accrue interest; however, they may offer cashback rewards as incentives for transactions (Putri et al., 2022). These ambiguities highlight the need for legislative reform to establish clear and enforceable guidelines that protect consumer rights and ensure fair contractual obligations among all parties involved in e-wallet transactions.

A critical yet overlooked gap in the legal framework is the issue of e-wallet inheritance. Unlike traditional bank accounts, which have established mechanisms for asset succession, e-wallets lack clear policies that facilitate the transfer of digital funds to legal heirs upon the account holder's death (Noor et al., 2021). This omission creates significant challenges, as surviving family members often face difficulties in accessing or recovering the deceased's e-wallet balances due to strict security protocols and privacy laws. The absence of legislative provisions governing e-wallet inheritance raises concerns about asset loss, particularly when large sums of money remain inaccessible due to account restrictions. Given that e-wallets have become an essential part of personal wealth management, policymakers must address this gap by developing legal mechanisms that allow designated beneficiaries or digital estate planning options for e-wallet users. Such measures would ensure compliance with Islamic inheritance laws while protecting the financial rights of heirs.

METHODOLOGY

This research adopts a qualitative approach to explore the role of policymakers in regulating e-wallet inheritance in Malaysia, focusing on the integration of Shariah principles with modern financial practices. Given the intricate nature of legal and financial regulations, along with the intersection of Islamic jurisprudence and contemporary financial systems, a qualitative methodology is well-suited to provide a comprehensive understanding of how policymakers shape and enforce inheritance policies for digital assets. To achieve this, the study utilizes a library-based research method and semi-structured interviews with key informants (R1: E-wallet provider, R2: Estate Planner, R3: E-wallet provider, R4: Lawyer) to achieve the objective of the study.

RESULTS

The findings from the study highlight the critical role of policymakers and regulators in establishing a structured legal and procedural framework for e-wallet inheritance in Malaysia. The responses from key informants emphasize the necessity of mandating policies, creating standardized procedures, and enhancing regulatory oversight to ensure that digital assets, particularly e-wallet funds, are properly

transferred to legal heirs. The role of Bank Negara Malaysia (BNM) as the central regulatory authority is repeatedly emphasized, indicating the need for stronger governance and policy intervention.

The Role of Bank Negara Malaysia (BNM) as a Central Regulator

The first key finding (R1) underscores the importance of regulatory intervention and suggests that Bank Negara Malaysia (BNM) should take the lead in developing policies related to e-wallet inheritance as R1 stated that *“Bank Negara would have responsibility... regulatory is important if policy comes into place, we all will have implemented it...”* and aligns with the broader understanding that financial regulation is essential to maintaining transparency, accountability, and consumer protection in digital transactions (Md Noor & Mohamed Naim, 2021). The informant further states that once a policy is in place, it will provide the necessary mandate to regulate e-wallet inheritance, reinforcing the need for structured regulatory oversight. This view is supported by prior research, which highlights that strong regulatory frameworks are necessary to prevent financial losses and ensure compliance with legal and ethical standards (Kamis et al., 2023).

While the importance of regulatory intervention is widely acknowledged, the absence of specific policies addressing e-wallet inheritance has created uncertainty among financial service providers and legal practitioners. Currently, Malaysia’s financial regulations focus on consumer protection and anti-money laundering (AML), but they do not explicitly address digital asset succession (Yusoff, 2022). Therefore, it is crucial that BNM introduces clear legal mandates and policies to standardize inheritance procedures for digital financial assets.

The Need for Standardized Procedures and Clear Guidelines

Another crucial issue raised (R2) is the need for a well-defined Standard Operating Procedure (SOP) for e-wallet inheritance claims. R2 suggests that the government should take the initiative to standardize SOPs, which would ensure a uniform and transparent process for handling inheritance claims as he viewed that *“I think the easiest thing for all companies to do is to establish an SOP on how the claim process should take place after death. There may need to be a hotline or a person in charge to be contacted when the owner passes away. The product needs to be considered end-to-end—many focus on onboarding, but not many think about offboarding, the process of claiming and closing the account after death. Standardization of this process is usually at the government level.”* This aligns with research advocating for clear legal frameworks in financial technology (fintech) governance to enhance consumer trust and reduce legal ambiguities (Razali et al., 2020).

Based on opinion given by R2, a structured SOP should outline essential processes, including:

- How legal heirs can claim e-wallet balances.
- A dedicated support system, such as a hotline, for inheritance-related inquiries.
- The responsibilities of e-wallet providers in off-boarding deceased users.

Without such guidelines, beneficiaries may face difficulties accessing digital assets, leading to financial losses and unnecessary legal disputes. A standardized framework would not only streamline inheritance claims but also increase public confidence in digital financial systems.

Policy Enforcement and Awareness: Responsibilities of BNM and Industry Players

The third response (R3) reinforces the need for BNM to take the lead in formulating policies related to e-wallet inheritance. The informant highlights that existing policies do not adequately address the role of BNM, resulting in a lack of awareness and clarity among e-wallet service providers and users as R3 said *“policies should come from Bank Negara. Bank Negara already has existing policies, but they do not specifically address inheritance. There could be a clause specifying the required documents,*

aligning with what I mentioned earlier about trustees. In my opinion, awareness should come from the regulator. The unclaimed money has already reached nearly RM12 billion, so the initiative should come from the regulator. As industry players, we implement, enforce, promote, or create awareness based on the policies that are established”. This statement aligns with the argument that financial regulators play a crucial role in shaping public awareness and ensuring compliance with legal frameworks (Noor et al., 2021).

Regulatory bodies not only create policies but also serve as the primary source of awareness and education for financial service providers and consumers. While e-wallet providers are responsible for implementing and enforcing regulations, the lack of clear guidelines from BNM has resulted in inconsistent industry practices. Prior research suggests that regulators must collaborate with fintech companies, estate planners, and legal experts to establish a cohesive inheritance framework (Ahmad & Latif, 2022). Public awareness campaigns and legal literacy initiatives can further ensure that users understand their rights and responsibilities regarding digital asset succession.

Developing a Regulatory Framework for E-Wallet Inheritance

R1 shared their experience and stated, *“when it is not specified in the terms, whether you are alive or deceased, access is restricted. For example, with Touch ‘n Go, it is quite difficult to get a representative to assist you. They keep passing you around, perhaps because it is a large company, but eventually, someone will attend to you. I am not sure if there is a specific term for this... This issue exists—when the owner passes away, the assets need to be liquidated. I am not certain how other companies handle this or to what extent they provide assistance in the event of death. If it is included in the terms and conditions, then there is nothing we can do. This presents a challenge for the government and regulatory authorities. That is why there needs to be a standardized framework to ensure that companies establish specific terms for the death of an account holder. If liquidation is not required, a grant of probate or letter of administration should be necessary, and the process should be clearly detailed according to the appropriate legal framework.”*

The experience shared by R4 highlights the urgent need for standardized regulations and clear guidelines concerning the inheritance of e-wallet funds. The informant emphasizes the necessity of a structured framework that outlines the process of handling e-wallet balances after the owner's death. This aligns with global best practices in digital asset governance, where countries such as the United States and the European Union have introduced estate planning solutions for digital wealth (Putri et al., 2022).

In Malaysia, regulatory reforms should focus on the following key areas:

- Legal recognition of e-wallet balances as inheritable assets under existing succession laws.
- Mandating e-wallet providers to integrate inheritance mechanisms, such as nominee systems or designated beneficiaries.
- Requiring financial institutions to provide estate planning solutions for digital assets, ensuring compliance with both civil and Shariah inheritance laws.
- Ensuring that digital inheritance policies align with Islamic financial principles, particularly in the case of Muslim account holders.

The Need for Policy Integration with Shariah Principles

Since Malaysia has a dual legal system, with both civil and Islamic inheritance laws, any regulatory framework for e-wallet inheritance must incorporate Shariah principles. The Shariah Advisory Council (SAC) of Bank Negara Malaysia (2020) has ruled that e-money is permissible under Islamic law,

provided that its structure adheres to relevant Shariah contracts. However, existing policies do not clarify how e-wallet funds should be distributed under *faraid*.

To ensure Shariah compliance, regulators must:

- Develop policies that enable Muslim users to allocate heirs for their e-wallet funds in accordance with *faraid*.
- Engage Islamic finance scholars and legal experts to formulate guidelines on Shariah-compliant inheritance of digital assets.
- Ensure that estate planners and financial advisors integrate digital assets into Islamic estate planning solutions.

CONCLUSION AND RECOMMENDATION

The findings of this study emphasize the urgent need for regulatory intervention to establish a comprehensive e-wallet inheritance policy in Malaysia. Given the increasing reliance on digital financial services, the absence of a structured legal framework governing e-wallet inheritance presents significant challenges for beneficiaries, estate planners, and financial institutions. As the central regulatory authority, Bank Negara Malaysia (BNM) must take a proactive role in developing standardized policies and legal mandates that ensure the seamless and just transfer of digital assets to rightful heirs. The formulation of a clear Standard Operating Procedure (SOP) for inheritance claims will not only enhance transparency and efficiency but also mitigate potential disputes, thereby providing legal certainty for beneficiaries.

This research makes significant theoretical and practical contributions by addressing a critical gap in the intersection of financial regulation, fintech governance, and Islamic inheritance law. From a theoretical perspective, this study expands the existing body of knowledge on digital asset inheritance, particularly in the context of Malaysia's dual legal system, which integrates civil and Shariah laws. By exploring the application of Islamic inheritance principles (*faraid*) and the objectives of Shariah (*maqasid al-Shariah*) to e-wallet succession, this research provides new insights into how digital financial products can align with Islamic legal frameworks. Moreover, this study contributes to policy development by identifying key regulatory shortcomings and offering practical recommendations for integrating Shariah-compliant inheritance mechanisms into Malaysia's digital financial ecosystem.

From a practical standpoint, the study underscores the need for collaboration between regulators, fintech companies, legal professionals, and estate planners to ensure that e-wallet providers incorporate inheritance mechanisms into their platforms. Financial institutions must develop consumer-friendly estate planning tools that allow users to nominate beneficiaries or establish legal successors for their digital funds. Furthermore, public awareness initiatives should be launched to educate users about their rights and responsibilities in managing digital assets after death. These measures will help prevent asset loss, reduce inheritance disputes, and enhance consumer confidence in Malaysia's fintech ecosystem.

Aligning e-wallet inheritance policies with *maqasid al-Shariah* is also crucial to preserving wealth (*hifz al-mal*), which is one of the five essential objectives of Islamic law. The proper distribution of digital assets in accordance with Islamic inheritance laws (*faraid*) ensures that financial resources are justly allocated among rightful heirs, preventing financial hardship and safeguarding family wealth. Therefore, regulators must integrate Islamic financial principles into the governance of digital inheritance to cater to the needs of Malaysia's Muslim-majority population.

While this study provides valuable insights, several areas warrant further investigation. Future research should explore interdisciplinary research combining financial law, Islamic jurisprudence, and emerging fintech innovations will be essential to developing a holistic and sustainable framework for digital asset inheritance in Malaysia.

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