

INVESTING INHERITED AND DIGITAL ASSETS THROUGH THE ŞUKŪK MARKET: A JURISTIC (FIQHĪ) AND ECONOMIC STUDY

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Abstract

Şukūk, since their formal codification by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), have matured from a niche instrument of sovereign financing into a global capital-market asset class exceeding one trillion United States dollars in outstanding value¹, with global outstanding şukūk reaching approximately US\$902.8 billion in 2024 alone². This article investigates whether şukūk structures—understood in AAOIFI Shari‘ah Standard No. 17 as certificates representing undivided ownership in tangible assets, usufruct, or services³—can be lawfully and prudently deployed to hold, transmit, and grow two categories of contemporary wealth that classical fiqh did not directly contemplate: assets passing through Islamic inheritance (farā’ id) and digital assets such as cryptocurrency, tokenized property, and online intellectual property. Employing a doctrinal-comparative methodology, the study situates the debate within the classical theory of māl (property) and the maqāṣid al-Shari‘ah, engages contemporary AAOIFI and IFSB standards, and reviews recent empirical literature on tokenized şukūk. The article argues that a Shari‘ah-compliant “inheritance-şukūk” structure is jurisprudentially defensible provided that genuine ownership (milkiyyah ḥaqīqiyyah), possession (qabḍ), and freedom from excessive

¹Musaffa Academy, “Sukuk Hit a Record in 2025: What’s Driving the Boom,” January 9, 2026, <https://academy.musaffa.com/record-sukuk-issuance-in-2025-what-investors-need-to-know/>; S&P Global Ratings figures cited therein.

²International Islamic Financial Market (IIFM), 14th Annual Sukuk Report (Manama: IIFM, November 20, 2025), summarized in “Record Breaking International Sukuk Issuances Hit US\$65.6bln,” IIFM Press Release, November 20, 2025, <https://www.iifm.net/public/press-media/news-and-updates/record-breaking-international-sukuk-issuances-hit-us-656-billion/97>.

³Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), Shari‘ah Standard No. 17: Investment Sukuk (Manama: AAOIFI, 2003; rev. 2008), cl. 2, as reproduced in “Shari‘ah Standard No. (17) Investment Sukuk,” Pakistan Institute of Corporate Investment [PKIC], accessed 2026, <https://pkic.com/wp-content/uploads/2025/07/SS-17-Investment-Sukuk.pdf>.

uncertainty (gharar fāḥish) are preserved, and it proposes a regulatory and fiqhī framework for such instruments.

Keywords: Şukūk; Islamic inheritance (Farā'id); digital assets; cryptocurrency; tokenization; AAOIFI; maqāşid al-Sharī'ah; Islamic wealth management.

1. INTRODUCTION

The convergence of three historically separate domains—Islamic capital-market instruments, the classical law of succession, and the emergent category of digital property—constitutes one of the most consequential frontiers of contemporary Islamic economic thought. Şukūk were devised in the late twentieth century as a Sharī'ah-compliant substitute for interest-bearing bonds, structured around real underlying assets so as to avoid ribā (usury) and excessive gharar (uncertainty)⁴. Farā'id, by contrast, is among the most textually determinate branches of fiqh, resting on explicit Qur'ānic apportionment⁵. Digital assets, meanwhile, did not exist when either body of doctrine was formulated, and their proliferation—cryptocurrency wallets, non-fungible tokens, tokenized real estate, and monetized online accounts—has forced contemporary jurists to revisit the very definition of māl⁶.

This article asks a narrower, more constructive question than “are digital assets ḥalāl to own”: given that digital and inherited wealth increasingly requires structured, transferable, and tradeable vehicles for its administration, can the şukūk—already a proven Sharī'ah-compliant securitization technology—serve as the legal and financial chassis through which such wealth is invested, safeguarded for heirs, and made productive? The question has acquired urgency as tokenized and blockchain-based şukūk move from pilot projects to live issuances in the United Arab Emirates, Indonesia, and Malaysia⁷, and as estate-planning practice worldwide grapples with the intestate or testate transfer of crypto-wallets, social-media monetization rights, and other intangible holdings⁸.

The study proceeds in six movements: (1) the conceptual architecture of şukūk under AAOIFI Sharī'ah Standards Nos. 17 and 62; (2) the classical apparatus of farā'id and its interaction with modern estate instruments; (3) the fiqhī status of digital assets as māl; (4) an integrated model of “inheritance-şukūk” and tokenized estate certificates; (5) juristic objections and responses concerning gharar, qabḍ, and riba; and (6) an economic assessment of market feasibility, closing with policy recommendations and a full bibliography in the Chicago Manual of Style, seventeenth edition.

2. THE CONCEPTUAL ARCHITECTURE OF ŞUKŪK IN ISLAMIC COMMERCIAL LAW

2.1 Definition and Sharī'ah Basis

AAOIFI defines investment şukūk as “certificates of equal value representing undivided shares in the ownership of tangible assets, usufruct, and services, or in the ownership of the assets of particular projects or special investment activities,”⁹ a definition that deliberately excludes shares of joint-stock companies and open-ended investment funds, which are governed by separate standards¹⁰. The Standard enumerates fourteen recognized şukūk archetypes, each anchored in a distinct nominate contract—ijārah, salam, istiṣnā', murābahah, mushārakah, muḍārabah, wakālah, muzārah, musāqāh, mughārasah, and several ownership-of-usufruct variants¹¹. What unites all fourteen is the requirement that certificate-holders acquire a genuine proprietary interest (milkiyyah ḥaqīqiyyah) in an underlying asset, usufruct, or enterprise, rather than a mere contractual right to repayment—precisely the feature that distinguishes şukūk from conventional bonds and immunizes them, in principle, from ribā.

⁴Mahmoud A. El-Gamal, *Islamic Finance: Law, Economics, and Practice* (Cambridge: Cambridge University Press, 2006), 8–12.

⁵Qur'ān 4:11–12; see also Ibn Qudāmah, *al-Mughnī*, vol. 6, *Kitāb al-Farā'id* (Riyadh: Dār 'Ālam al-Kutub, 1997), 178–210, for the classical juristic elaboration of fixed shares (furūd).

⁶Selman Zahid Ozdemir, “Digital Assets from Islamic Perspective (2019–2024): A Systematic Literature Review,” *Journal of Muamalat and Islamic Finance Research* (2025), <https://jmifr.usim.edu.my/index.php/jmifr/article/view/635>.

⁷“Digital Sukuk and Shariah Compliance: A Jurisprudential Analysis of Blockchain Integration in Islamic Finance,” *Indonesian Scientific Journal of Islamic Finance*, <https://journal.uinsi.ac.id/index.php/INASJIF/article/view/11734>.

⁸AllahRakha et al., “Legal Issues of Digital Asset Inheritance from an Islamic Law Perspective,” *Ijtihad: Jurnal Wacana Hukum Islam dan Kemanusiaan* 25, no. 2 (2025), <https://doi.org/10.18326/ijtihad.v25i2.191-212>.

⁹AAOIFI, Sharī'ah Standard No. 17, cl. 2; see also the summary in “The Effect of New AAOIFI Standard on SUKUK,” *Academia.edu working paper*, 2016, https://www.academia.edu/30137909/The_Effect_of_New_AAOIFI_Standard_on_SUKUK.

¹⁰AAOIFI, Sharī'ah Standard No. 17, cl. 1, n. 1.

¹¹“Guide to AAOIFI Shariah Standard No. 17: The Definitive Framework for Sukuk,” *HalalWallet*, September 21, 2021, <https://www.halalwallet.us/learn/islamic-finance-148-aaofi-shariah-standard-no-17-the-definitive-framework-for-sukuk>.

2.2 Asset-Backed versus Asset-Based Structures

A persistent controversy in the *ṣukūk* industry concerns the difference between asset-backed *ṣukūk*, in which holders enjoy a true proprietary claim enforceable against the underlying asset in default, and asset-based *ṣukūk*, in which the asset is merely a formal device and holders retain, in substance, a claim against the originator's general credit¹². The distinction was thrown into sharp relief by the 2012 Dana Gas default, whose litigation exposed the fragility of purchase-undertaking mechanisms that had allowed originators to guarantee par-value redemption—an arrangement AAOIFI's February 2008 resolution had already flagged as tantamount to a disguised loan¹³. The most recent regulatory response, AAOIFI Shari'ah Standard No. 62 (2024), tightens this requirement further: equity-type *ṣukūk*—*muḍārabah* and *mushārah*—may no longer carry capital or profit guarantees, and holders must obtain full legal, not merely beneficial, ownership of underlying assets¹⁴. This tightening is directly relevant to the present inquiry: any *ṣukūk* structure built to hold inherited or digital assets must satisfy the stricter “true-sale” and “true-ownership” thresholds of Standard No. 62, not the looser asset-based conventions that dominated the pre-2008 market.

2.3 Ownership Transfer and Secondary-Market Tradability

Because *ṣukūk* represent ownership rather than debt, their secondary-market tradability is itself conditioned on the composition of the underlying pool: trading is permissible without restriction only where the pool is predominantly tangible assets or usufructs, and is either restricted or subjected to the rules of *ṣarf* and *bay' al-dayn* where the pool consists mainly of receivables or cash¹⁵. This rule becomes especially consequential once *ṣukūk* are digitized: a distributed ledger can, in principle, evidence real-time transfer of fractional ownership at the moment of trade, thereby satisfying *qabḍ ḥukmī* (constructive possession) more rigorously than paper-based registries, provided that the smart-contract logic mirrors the actual movement of beneficial title rather than merely a book-entry claim¹⁶.

3. FARĀ'ID: THE CLASSICAL ARCHITECTURE OF ISLAMIC SUCCESSION

The Islamic law of inheritance is built on a threefold hierarchy of entitlement: fixed Qur'ānic shares (*aṣḥāb al-furūd*), residuary heirs (*'aṣabah*), and, in the absence of both, distant kindred (*dhawū al-arḥām*)¹⁷. The distribution formula proceeds only after four antecedent obligations are discharged from the estate: funeral expenses, outstanding debts, valid bequests up to one-third of the residual estate, and any matrimonial dower still owed¹⁸. Two features of this system bear directly on the present study. First, *farā'id* presupposes an estate composed of identifiable, valuable, and transferable *māl* (property); an asset that cannot be classified as *māl* simply falls outside the distributive formula altogether, which is precisely why the classification of digital assets carries such high stakes. Second, the fixed-share logic of *farā'id* is arithmetically rigid but administratively silent: the Qur'ān specifies that a daughter receives half where she is the sole child, for instance, but says nothing about how an illiquid, volatile, or access-restricted asset—a cryptocurrency wallet secured by a private key, for example—is to be valued, divided, and physically or constructively delivered to seven or eight heirs simultaneously.

It is this administrative gap that estate-planning instruments have historically filled. Contemporary Islamic finance already employs *waqf*, *hibah* (inter vivos gift), and *waṣiyyah* (bequest) as complementary tools that operate around, rather than against, the compulsory *farā'id* shares¹⁹. The argument advanced below is that a Shari'ah-compliant *ṣukūk* wrapper can be added to this existing toolkit specifically to solve the valuation, divisibility, and custody problems that digital and other illiquid assets pose to an otherwise complete *farā'id* framework, rather than to displace the *farā'id* shares themselves.

¹² Asyraf Wajdi Dusuki and Shabnam Mokhtar, “Critical Appraisal of Shari'ah Issues on Ownership in Asset-Based Sukuk as Implemented in the Islamic Debt Market,” ISRA Research Paper No. 8 (Kuala Lumpur: International Shari'ah Research Academy, 2010).

¹³ Saheed A. Busari and Abideen Adewale Abdulaziz, “Dana Gas Sukuk Default: A Juristic Analysis of Court Judgement,” *International Journal of Islamic and Middle Eastern Finance and Management* 12, no. 4 (2019): 569–585.

¹⁴ Kia Williams, “AAOIFI Shari'ah Standard No. 62: Redefining Sukuk Structures for Authentic Islamic Finance” (white paper, FIM Partners, July 2025), <https://www.fimpartners.com/app/uploads/2025/08/FIM-Partners-White-Paper-AAOIFI-Shariah-Standard-No.-62-July-2025.pdf>.

¹⁵ AAOIFI, Shari'ah Standard No. 17, cl. 5/2; see also Mohammad Ahmad Mikail, Saheed Abdullahi Busari, and Ahmed Ali Alsaadi, “Ownership Transfer of Sovereign Sukuk Assets: Analysis of Pertinent Issues from Shari'ah Perspective,” 2024.

¹⁶ Mohamad Sabri Zakaria and Nazrul Hazizi Noordin, “Sukūk on Blockchain: A Legal, Regulatory and Shari'ah Review,” *ISRA International Journal of Islamic Finance* 13, no. 1 (2021): 118–135, <https://doi.org/10.1108/IJIF-06-2020-0120>.

¹⁷ Muḥammad 'Alī al-Ṣābūnī, *al-Mawārith fī al-Shari'ah al-Islāmiyyah fī Ḍaw' al-Kitāb wa-al-Sunnah* (Beirut: Dār al-Kutub al-'Ilmiyyah, n.d.), 41–58.

¹⁸ Ibn Qudāmah, *al-Mughnī*, vol. 6, 178–184; Abū al-A'īn Mawḍūdī, *Ta'limāt* (Lahore: Islamic Publications, 1988), chap. on inheritance and bequests.

¹⁹ Afidah Azhar and Mohd Zamre Mohd Nor, “Hibah in the Administration of Islamic Property: Ijtihādī Elements and Reality in Malaysia,” *UUM Journal of Legal Studies* 10, no. 2 (2019): 103–119, <https://e-journal.uum.edu.my/index.php/uumljs/article/view/uumljs.10.2.2019.6400>.

4. DIGITAL ASSETS AND THE RECONSTRUCTION OF MĀL

4.1 The Classical Criteria of Māl

Classical uṣūlīs, notably within the Ḥanafī school, tied māl closely to material corporeality (‘ayn) and customary acquisitiveness (ta‘āruf al-nās), while the majority of jurists across the remaining schools recognized lawful economic benefit (manfa‘ah mubāḥah) as an independently sufficient criterion of propertyhood²⁰. Applying a maqāṣid-based reading, recent scholarship concludes that any object satisfying three conditions—economic value (qimah), lawful ownership (milkiyyah mashrū‘ah), and transferability (qābiliyyah lil-naql)—qualifies as māl regardless of its physical intangibility²¹. Cryptocurrencies, tokenized securities, domain names, and monetized digital accounts satisfy all three conditions in ordinary commercial practice, which is why a growing majority of contemporary fatāwā and academic studies classify them as māl mutaqaḥwam (legally recognized valuable property) notwithstanding continuing debate over specific instruments such as purely speculative tokens.

4.2 Ownership, Possession, and Legal Title in Cryptoassets

A comparative-law perspective reinforces this conclusion. Common-law scholarship has increasingly recognized cryptoassets as a novel species of property capable of supporting proprietary claims independent of contract²², a conclusion broadly compatible with the Islamic doctrine that milkiyyah attaches wherever exclusive control (ḥiyāzah) and disposability (taṣarruf) exist, irrespective of tangibility. An empirically grounded fiqh framework for crypto-asset classification, validated through structured expert consultation, similarly finds that the decisive variables are the presence of an underlying economic activity, the absence of dominant gharar or qimār (speculation resembling gambling), and compliance with monetary-policy considerations in the relevant jurisdiction²³. For purposes of estate administration, the operative implication is that a deceased’s crypto-holdings, exchange-custodied tokens, and verifiable digital-property records constitute inheritable māl, and heirs’ farā’id shares attach to their value exactly as they would to a bank balance or a parcel of land.

4.3 The Specific Problem of Digital Inheritance

Digital assets nonetheless present a distinct practical pathology that tangible property does not: access is frequently gated by private cryptographic keys, platform terms of service, or biometric authentication tied to a single natural person, so that the heir’s farā’id entitlement may be legally undisputed yet practically unrealizable without deliberate ex ante planning²⁴. Comparative surveys of transnational digital-inheritance regimes confirm that the central point of failure is almost always custodial and administrative rather than doctrinal: platforms’ contractual terms of service frequently conflict with the mandatory, non-waivable character of farā’id shares, producing a structural tension between private platform law and public succession law²⁵. It is precisely this custodial gap—not any doctrinal deficiency in farā’id—that a properly structured ṣukūk vehicle is well positioned to close, because a ṣukūk special-purpose vehicle (SPV) already performs the function of holding legal title on behalf of a defined class of beneficial owners and distributing proceeds according to a pre-agreed, judicially enforceable formula.

5. TOWARD AN INTEGRATED MODEL: INHERITANCE-ṢUKŪK AND TOKENIZED ESTATE CERTIFICATES

5.1 Structural Design

The model proposed here—termed for convenience ṣukūk al-tarikah al-raḥmiyyah (digital-estate ṣukūk)—adapts the wakālah and muḍārabah ṣukūk archetypes recognized under AAOIFI Standard No. 17 to the specific task of custodying and productively investing a decedent’s digital and mixed-asset estate pending and following farā’id distribution. An independent SPV, structured as a waqf-linked or trust-like entity, takes legal title to the estate’s digital holdings (verified crypto-wallets, tokenized real property, intellectual-property royalty streams) immediately upon the

²⁰Pratami, “Digital Assets and Islamic Inheritance Law: Reinterpreting the Concept of Māl through Maqāṣid Sharī‘ah,” *Ulul Albab: Jurnal Studi dan Penelitian Hukum Islam*, <https://jurnal.unissula.ac.id/index.php/ua/article/view/51899>; see also ‘Abd al-Karīm Zaydān, *al-Wajīz fī Uṣūl al-Fiqh*, vol. 1 (Beirut: Mu‘assasat al-Risālah, 1976), on the classical taxonomy of māl and manfa‘ah.

²¹Pratami, “Digital Assets and Islamic Inheritance Law,” *Ulul Albab*.

²²Timothy Chan, “The Nature of Property in Cryptoassets,” *Legal Studies* 43, no. 3 (2023): 1–19, <https://doi.org/10.1017/lst.2022.53>.

²³Ahmet Bekiroğlu, Mohamed Cherif El Amri, and Mustafa Omar Mohammed, “Empirical Validation of a Framework for Fiqh Analysis of Crypto Assets,” *Qualitative Research in Financial Markets* (2025).

²⁴Kevin Artamkin, “Application of Modern Technologies in Notarial Activity in the Inheritance of Digital Financial Assets,” *Legal Concept*, no. 4 (2023): 45–50, <https://doi.org/10.15688/lc.jvol3u.2023.4.6>.

²⁵Maureen Keisha et al., “Exploring Digital Assets Inheritance: A Comparative Study of Transnational Legal Frameworks and Practices,” *Jurnal Penelitian dan Pengabdian Masyarakat Indonesia* 4, no. 1 (2025): 950, <https://doi.org/10.57235/aurelia.v4i1.4483>.

administrator's appointment, converting each heir's farā'id share into a proportionate, freely tradeable šukūk certificate²⁶. Because the certificates evidence undivided ownership rather than a debt claim, heirs who require immediate liquidity may sell their certificates on a regulated secondary market without disturbing the underlying pool or forcing a premature liquidation of volatile digital holdings, while heirs who prefer to retain exposure may hold their certificates to maturity or indefinitely.

5.2 Blockchain Infrastructure and Tokenization

Live pilots already demonstrate the technical feasibility of this design. Indonesian issuers have modeled blockchain-based property šukūk in which fractional ownership of real estate is tokenized and transferred via distributed ledger with smart-contract-enforced profit distribution²⁷, and broader tokenization research confirms that distributed-ledger infrastructure can reduce settlement risk and increase transparency for real-world asset securitization generally, provided that legal recognition of on-chain title keeps pace with the technology²⁸. Jurisprudential reviews of blockchain-šukūk conclude that tokenization is compatible with Sharī'ah so long as each token continues to correspond to a real, identifiable underlying asset and a legitimate Islamic contract, rather than functioning as a purely synthetic or self-referential instrument²⁹. Applied to inheritance-šukūk, this means the SPV's smart contract must be drafted so that token transfers are triggered by, and legally subordinate to, verified farā'id apportionment—technology serving fiqh, rather than the reverse.

5.3 A Comparative Framework

The table below situates the proposed digital-estate šukūk against the two instruments it is designed to complement: conventional (non-Islamic) digital-asset trusts, and unstructured direct farā'id distribution without any intermediating vehicle.

Table 1. Comparative framework: digital-estate šukūk versus conventional and unstructured alternatives.

Feature	Digital-Estate Šukūk (Proposed)	Conventional Digital-Asset Trust	Direct Farā'id Distribution (No Vehicle)
Governing principle	Milkiyyah shā'i'ah (undivided ownership) under AAOIFI SS 17/62	Trust law; settlor/trustee fiduciary duty	Qur'ānic fixed shares, self-executing
Compliance with Sharī'ah	Designed for compliance (asset-backed, no guaranteed return)	Not Sharī'ah-screened by default	Fully compliant, but liquidity-blind
Liquidity for heirs	High — tradeable certificates on secondary market	Variable — depends on trust deed	Low — illiquid assets often frozen pending access
Custody of private keys / access credentials	Centralized in SPV with multi-signature protocol	Centralized in trustee	Ad hoc; frequent loss of access
Valuation mechanism	Independent Sharī'ah-board-approved oracle/valuer	Trustee-appointed appraiser	Court- or family-negotiated, often disputed

²⁶Cf. the wakālah-šukūk model discussed in AAOIFI, Sharī'ah Standard No. 17, cl. 3; and the ownership-of-usufruct model in cl. 4.

²⁷Yoga Adi Moppratama, Amelia Alamsyah, and Dodie Tricahyono, "Blockchain-Based Property Sukuk Models for the Indonesian Market," in 2024 International Conference on Artificial Intelligence, Blockchain, Cloud Computing, and Data Analytics (ICoABCD) (IEEE, 2024), 107–112, <https://doi.org/10.1109/ICoABCD63526.2024.10704239>.

²⁸Radovan Mirdala, "Tokenization of Real-World Assets: Legal Frameworks, Market Dynamics, and Policy Pathways for a Decentralized Financial Future," *Journal of Applied Economic Sciences* 20, no. 16 (2025): 285, [https://doi.org/10.57017/jaes.v20.2\(88\).09](https://doi.org/10.57017/jaes.v20.2(88).09).

²⁹"Digital Sukuk and Shariah Compliance: A Jurisprudential Analysis of Blockchain Integration in Islamic Finance," *Indonesian Scientific Journal of Islamic Finance*, <https://journal.uinsi.ac.id/index.php/INASJIF/article/view/11734>.

Feature	Digital-Estate Şukūk (Proposed)	Conventional Digital-Asset Trust	Direct Farā'īd Distribution (No Vehicle)
Suitability for volatile assets (e.g., crypto)	Designed for volatility via diversified pool	Case-by-case	Poor — forced early liquidation common

6. JURISTIC OBJECTIONS AND RESPONSES

6.1 Gharar in Valuing Volatile and Illiquid Digital Assets

The most serious objection to any digital-estate şukūk is that the extreme price volatility of many cryptoassets introduces gharar fāḥish (excessive uncertainty) into the valuation on which certificate denominations are based. The response, consistent with mainstream fiqh methodology, is that gharar attaches to the contract of exchange, not to the mere existence of price fluctuation in the underlying asset; a mushārah-style şukūk that distributes actual realized profit or loss pro rata—rather than promising a fixed return calculated at issuance—transfers this risk transparently to certificate-holders in a manner analogous to ordinary equity partnership, which the majority of jurists accept despite the inherent unpredictability of commercial returns³⁰. What Standard No. 62 forecloses is not risk-sharing as such but the disguised elimination of risk through capital-value guarantees—an outcome the proposed structure deliberately avoids by design.

6.2 Qabḍ (Possession) in a Tokenized Environment

A second objection concerns whether a private key or a database entry can satisfy the jurisprudential requirement of qabḍ, historically understood in terms of physical or constructive delivery. Contemporary muftis addressing digital and electronic transactions have generally accepted that qabḍ ḥukmī is satisfied wherever exclusive, verifiable, and legally enforceable control passes to the transferee, a standard that a properly audited blockchain ledger arguably meets more rigorously than paper share certificates, since every transfer is cryptographically time-stamped and immutable³¹. The remaining practical safeguard is institutional: the SPV, not any single heir, should hold the master private keys under a documented multi-signature protocol, so that no beneficiary's farā'īd share is rendered inaccessible by the loss or death of a co-heir holding sole custodial access.

6.3 Ribā and the Prohibition on Guaranteed Returns

Because the proposed vehicle is structured as an equity-type (mushārah/muḍārah) rather than debt-type şukūk, it does not promise a fixed return and therefore does not raise the ribā concerns associated with conventional bonds or with pre-2008 şukūk that relied on purchase undertakings at par³². Any residual promise of capital protection—for example, to shield elderly or minor heirs from cryptocurrency volatility—must instead be structured as a separate, clearly disclosed takāful-style risk pool rather than embedded within the şukūk contract itself, so as not to reintroduce a disguised guarantee.

7. ECONOMIC ANALYSIS: MARKET FEASIBILITY AND SCALE

The macro-financial backdrop to this proposal is a şukūk market of substantial and rapidly growing scale. IIFM's fourteenth annual Sukuk Report records total global şukūk issuance of approximately US\$205 billion in 2024, with international (cross-border) issuance reaching a record US\$65.6 billion, a 24.5 percent increase over 2023³³. S&P Global Ratings reports that 2025 issuance climbed further still, to approximately US\$264.8 billion, setting a new annual record and pointing to continued momentum of roughly US\$270–280 billion in 2026³⁴. Independent market-

³⁰Cf. Yūsuf al-Qarāḍāwī, *Fatāwā Mu'āṣirah*, vol. 2 (Cairo: Dār al-Wafā', various eds.), on the distinction between contractual gharar and ordinary commercial risk (mukhāṭarah).

³¹Mikail, Busari, and Alsaadi, "Ownership Transfer of Sovereign Şukūk Assets."

³²Busari and Abdulaziz, "Dana Gas Sukuk Default," 574–578.

³³IIFM, 14th Annual Sukuk Report (2025), summarized in "International Sukuk Issuances Hit US\$65.6bln, Up 24.5 Percent Says IIFM Sukuk Report 2025," *Zawya*, November 21, 2025, <https://www.zawya.com/en/press-release/companies-news/international-sukuk-issuances-hit-us-656bln-up-245-percent-says-iifm-sukuk-report-2025-qpf2n61>.

³⁴S&P Global Ratings data cited in Musaffa Academy, "Sukuk Hit a Record in 2025."

research estimates converge on outstanding global *ṣukūk* value in the range of US\$1.29–1.38 trillion in 2025, projected to approach US\$3–4 trillion by the early 2030s at a compound annual growth rate in the 12–19 percent range³⁵.

Table 2 summarizes the principal market indicators relevant to feasibility assessment.

Indicator	2024/2025 Value	Source
Global <i>ṣukūk</i> issuance (2024)	~US\$205 billion	IIFM (2025)
Global <i>ṣukūk</i> issuance (2025)	~US\$264.8 billion	S&P Global (2025)
Global outstanding <i>ṣukūk</i> (2024)	~US\$902.8 billion	IIFM (2025)
Global <i>ṣukūk</i> market value (2025)	~US\$1.29–1.38 trillion	IMARC / TBRC (2025)
Projected market value (2030–2034)	US\$3.0–4.2 trillion	IMARC / TBRC (2025)
Sovereign issuer share (2025)	~49.9%	IMARC (2025)

Table 2. Global *ṣukūk* market indicators relevant to a digital-estate *ṣukūk* pilot.

Even a conservative capture of one percent of the annual corporate *ṣukūk* issuance pipeline—corporate *ṣukūk* currently constitute approximately 22.5 percent of the market and are growing at roughly 14.2 percent per annum³⁶—would generate an addressable market in the low billions of dollars annually, sufficient to justify pilot issuance by an Islamic bank or *takāful* operator in a jurisdiction with an established digital-asset regulatory framework, such as the United Arab Emirates or Malaysia. The principal economic risk is not market demand but regulatory fragmentation: cross-border recognition of tokenized title varies sharply by jurisdiction, and AAOIFI compliance itself is mandatory in some markets (the UAE, Bahrain, Pakistan) but only voluntary in others (Saudi Arabia, Malaysia)³⁷, complicating the design of a single, universally enforceable digital-estate *ṣukūk* template.

8. CHALLENGES AND RISKS

Four categories of risk merit particular attention. First, regulatory risk: most national inheritance and probate regimes do not yet recognize tokenized certificates as valid instruments of estate transfer, creating a gap between technical feasibility and legal enforceability³⁸. Second, custodial risk: private-key loss remains the single largest cause of permanently inaccessible cryptoassets globally, a risk the SPV structure mitigates but does not eliminate. Third, valuation risk: absent a liquid and *Shari'ah*-screened index for many digital assets, independent *Shari'ah* boards must develop bespoke, defensible valuation methodologies to avoid *gharar* in certificate denomination. Fourth, scholarly consensus risk: as the literature review by Ozdemir demonstrates, published *fiqhī* scholarship on digital assets remains comparatively sparse and geographically concentrated, meaning that any digital-estate *ṣukūk* product will likely proceed for some years on the basis of individual *Shari'ah*-board *ijtihād* rather than settled *ijmā'*³⁹.

9. POLICY RECOMMENDATIONS

On the basis of the preceding analysis, the following recommendations are advanced. First, national *ṣukūk* and inheritance regulators should jointly issue interpretive guidance clarifying that tokenized ownership certificates issued by a licensed SPV constitute valid *muwarrath* (inheritable) *māl* for *farā'id* purposes, removing the present legal ambiguity identified in comparative digital-inheritance scholarship⁴⁰. Second, every digital-estate *ṣukūk* issuance should be reviewed against AAOIFI *Shari'ah* Standard No. 62's true-ownership and no-guarantee requirements prior to launch, with an independent *Shari'ah* board empowered to reject any structure that reintroduces disguised capital

³⁵IMARC Group, "Sukuk Market Size, Share, Growth & Industry Forecast 2034," <https://www.imarcgroup.com/sukuk-market>; The Business Research Company, "Sukuk Market Size, Trends Forecast Report 2026–2030," <https://www.thebusinessresearchcompany.com/report/sukuk-global-market-report>.

³⁶IMARC Group, "Sukuk Market Size, Share, Growth & Industry Forecast 2034."

³⁷FIM Partners, "AAOIFI Shari'ah Standard No. 62: Redefining Sukuk Structures for Authentic Islamic Finance," July 2025.

³⁸Artamkin, "Application of Modern Technologies in Notarial Activity," 47–49.

³⁹Ozdemir, "Digital Assets from Islamic Perspective (2019–2024)."

⁴⁰AllahRakha et al., "Legal Issues of Digital Asset Inheritance," *Ijtihad*.

protection. Third, custodial architecture should mandate multi-signature key management held jointly by the SPV trustee and an independent notarial or judicial authority, addressing the custodial-risk pathology documented in the digital-notarization literature⁴¹. Fourth, given the still-developing state of fiqhī consensus, initial issuances should be piloted on lower-volatility digital assets—tokenized real estate and royalty-bearing intellectual property—before extending the model to highly volatile cryptocurrencies.

10. CONCLUSION

This article has argued that the *ṣukūk* market, having already absorbed one major structural reform in response to the 2008 AAOIFI resolution and a further reform through Standard No. 62 in 2024, possesses both the doctrinal vocabulary and the institutional infrastructure to accommodate a new class of instrument: the digital-estate *ṣukūk*. Such an instrument does not alter the substantive, Qurʾānically fixed shares of *farāʾid*; it instead solves the administrative and custodial problems that digital and other illiquid assets introduce into an otherwise complete distributive system, by converting each heir's entitlement into a tradeable, transparently valued, Sharīʾah-compliant certificate of undivided ownership. The classification of digital assets as *māl*—now supported by a growing, if still emergent, body of *maqāṣid*-based fiqhī scholarship—provides the necessary jurisprudential foundation, while a global *ṣukūk* market already approaching US\$1.3 trillion in outstanding value provides the necessary financial infrastructure⁴². What remains is the harder, incremental work of regulatory harmonization, custodial standardization, and the accumulation of settled scholarly consensus—work that classical Islamic legal method, from Ibn Khaldūn's attentiveness to changing socio-economic 'umrān⁴³ to Shāh Walī Allāh's doctrine of the graduated realization of *maqāṣid* across changing ages⁴⁴, and Iqbal's call for the reconstruction of religious thought to meet the demands of a changing world⁴⁵—is well equipped to guide.

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⁴²IMARC Group, “Sukuk Market Size, Share, Growth & Industry Forecast 2034”; IIFM, 14th Annual Sukuk Report (2025).

⁴³Ibn Khaldūn, al-Muqaddimah, trans. Franz Rosenthal (Princeton: Princeton University Press, 1967), 89–95, on the adaptation of legal and economic institutions to changing social conditions.

⁴⁴Shāh Walī Allāh al-Dihlawī, *Hujjat Allāh al-Bāligha*, trans. Marcia K. Hermansen (Leiden: Brill, 1996), vol. 1, 25–40.

⁴⁵Muhammad Iqbal, *The Reconstruction of Religious Thought in Islam* (Lahore: Institute of Islamic Culture, 1930; repr. 1986), 148–152.

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