

[Look Up Full Text](#)
[Find PDF](#)
[Export...](#)
[Add to Marked List](#)

## Smart Contract in Blockchain: An Exploration of Legal Framework in Malaysia

By: Zain, NRBM (Zain, Nor Razinah Binti Mohd)<sup>[1]</sup>; Ali, ERAE (Ali, Engku Rabiah Adawiah Engku)<sup>[1]</sup>; Abideen, A (Abideen, Adewale)<sup>[1]</sup>; Rahman, HA (Rahman, Hamizah Abdul)<sup>[2]</sup>

### INTELLECTUAL DISCOURSE

Volume: 27 Issue: 2 Pages: 595-617

Published: 2019

Document Type: Article

### Abstract

In 2017, the global Blockchain technology market was predicted to reach 339.5 million U.S. dollars in size and is forecasted to grow to 2.3 billion U.S. dollars by 2021. The smart contract has an increasing role in governing the legal relationship between the interested parties. This research explores the current position of smart contracts in Malaysia and the viability of the Malaysian framework in handling the latest development. This research adopts the qualitative and doctrinal legal approaches in analysing the current legal practice, the relevant statutes and the viability of the Malaysian legal framework. These approaches are necessary to be carried out in ensuring the workability of smart contracts in Blockchain. Additionally, the practices of smart contracts from international experiences are collected as case studies in this research. As a part of the findings, the researchers found that smart contracts are more or less similar to traditional contracts. Therefore, the requirements as stipulated under the Contract Act 1950 that are applicable in Malaysia must be followed accordingly. In this study, based on the nature of Blockchain technology, the researchers evaluate the current position of Malaysian laws in dealing with smart contracts. Additionally, the researchers also looked at the acceptable legal practice of smart contracts in Malaysia.

### Keywords

Author Keywords: Smart contract; Blockchain; Fintech; Contract Act 1950; Malaysia

### Author Information

Reprint Address: Zain, NRBM (reprint author)

+ IIUM, IliBF, Selangor, Malaysia.

### Addresses:

+ [ 1 ] IIUM, IliBF, Selangor, Malaysia

+ [ 2 ] Univ Sultan Zainal Abidin UniSZA, Terengganu, Malaysia

E-mail Addresses: mumtaz\_razi@iium.edu.my; rabiah@iium.edu.my; abidewale@gmail.com; law\_worldz@yahoo.com

### Publisher

INT ISLAMIC UNIV MALAYSIA, PRESS RESEARCH MANAGEMENT CENTER, PO BOX 10, KUALA LUMPUR, 50728, MALAYSIA

### Categories / Classification

Research Areas: Religion

Web of Science Categories: Religion

### See more data fields

### Citation Network

In Web of Science Core Collection

0

Times Cited

Create Citation Alert

36

Cited References

[View Related Records](#)

### Use in Web of Science

Web of Science Usage Count

0

Last 180 Days

0

Since 2013

[Learn more](#)

This record is from:  
 Web of Science Core Collection  
 - Emerging Sources Citation Index

### Suggest a correction

If you would like to improve the quality of the data in this record, please [suggest a correction](#).

## Cited References: 36

Showing 30 of 36 [View All in Cited References page](#)

(from Web of Science Core Collection)

- Title: [not available] Times Cited: 1

Group Author(s): Allens

Allens releases a landmark report on blockchain Published: 2016
- Title: [not available] Times Cited: 1

By: [Anonymous].

Oxford Online Course Published: 2017

Oxford

3. **Blockchain: The Next Big Thing or Is It?** Times Cited: 8  
By: [Anonymous].  
The Economist Published: 2015  
URL: <https://www.economist.com/news/special-report/21650295-or-it-next-big-thing>
  
4. Title: [not available] Times Cited: 1  
By: Bacina, M.  
Smart Contracts in Australia: Just How Smart They are? Published: 2017  
URL: <https://www.piperalderman.com.au/publications/corporate-commercial/article/28836>
  
5. **Attaining and Aligning with the Right Digital Mindset** Times Cited: 1  
By: Bakar, M. D.  
Malaysian Business Magazine Pages: 12-14 Published: February 2018
  
6. Title: [not available] Times Cited: 1  
Group Author(s): Bernama  
Transactions in Malaysia to be almost `cashless' by 2025 Published: 2018
  
7. Title: [not available] Times Cited: 1  
By: Buterin, V.  
The Meaning of Decentralisation Published: 2018  
URL: <https://medium.com/@VitalikButerin/the-meaning-of-decentralization-a0c92b76a274>
  
8. Title: [not available] Times Cited: 1  
Group Author(s): Central Bank of Malaysia  
Digital Currencies Published: 2016
  
9. Title: [not available] Times Cited: 1  
Group Author(s): Central Bank of Malaysia  
Financial Technology Regulatory Sandbox Framework Published: 2018
  
10. Title: [not available] Times Cited: 1  
Group Author(s): Central Bank of Malaysia  
Statement on Bitcoin Published: 2014
  
11. **Certified Shari'ah-compliant GOLDX to set Gold Standard for Blockchain in Islamic Fintech** Times Cited: 1  
By: Cosseboom, L.  
SalamGateWay Published: 2018  
URL: [https://www.salaamgateway.com/en/story/interviewcertified\\_shariahcompliant\\_goldx\\_to\\_set\\_gold\\_standard\\_for\\_blockchain\\_in\\_islamic\\_fintech-SALAAM27022018041018/](https://www.salaamgateway.com/en/story/interviewcertified_shariahcompliant_goldx_to_set_gold_standard_for_blockchain_in_islamic_fintech-SALAAM27022018041018/)
  
12. Title: [not available] Times Cited: 1  
By: De Nikhilesh.  
Malaysia's Central Bank Releases Draft Rules for Cryptocurrency Exchanges Published: 2018  
URL: <https://www.coindesk.com/malysias-central-bank-releases-draft-rules-cryptocurrency-exchanges>
  
13. **Spanish Party Weighs Tax Incentives to Lure Blockchain Firms** Times Cited: 1  
By: Duarte, E.  
Bloomberg News Published: 2018  
URL: <https://www.bloomberg.com/news/articles/2018-02-15/rajoy-s-party-weighs-tax-breaks-for-spanish-blockchain-companies>
  
14. Title: [not available] Times Cited: 1  
By: Farrell, S.; Warren, C.; Hinchliffe, R.; et al.  
How to use humans to make smart contract smart Published: 2016  
URL: <http://www.kwm.com/en/au/knowledge/insights/smart-contracts-open-source-model-dna-digital-analogue-human-20160630>  
[Show additional data]
  
15. Title: [not available] Times Cited: 1  
Group Author(s): Finterra  
Endowment Published: 2018