



Religiosity and investment knowledge as determinants of cryptocurrency investment interest among Muslim Generation Z

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ABSTRACT

The phenomenon of digital asset investment development, particularly cryptocurrency, has garnered significant attention among young Generation Z investors. However, limited studies have examined the respective roles of religiosity and investment knowledge in shaping cryptocurrency investment intention within a Muslim-majority context, especially in regions implementing Islamic values such as Aceh, Indonesia. This study aims to analyze the influence of religiosity and investment knowledge on cryptocurrency investment intention among Muslim Generation Z. The research employed a quantitative approach, and the data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) using SmartPLS software. The results indicate that religiosity has a negative and significant effect on investment intention, while investment knowledge has a positive and significant effect. These findings suggest that individuals with a high level of religiosity tend to avoid cryptocurrency investments due to legal uncertainty and Islamic perspectives concerning elements of *gharar* (uncertainty), *maysir* (speculation), and *dharar* (harm). Conversely, a higher level of investment knowledge enhances individuals' ability to make rational and ethical financial decisions. This study contributes theoretically by extending the Theory of Planned Behavior into the context of Islamic digital finance, highlighting religiosity as a normative constraint and investment knowledge as a cognitive driver in shaping cryptocurrency investment intention among Muslim Generation Z.

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1. Introduction

The rapid growth of cryptocurrency has transformed the global digital investment landscape and attracted significant attention from young investors, particularly Generation Z (Nimje & Imani, 2025). As decentralized digital assets, cryptocurrencies offer alternative investment opportunities characterized by high return potential, technological innovation, and ease of access (Lekshmi et al., 2023). However, despite their growing popularity, cryptocurrencies remain controversial, especially in Muslim-majority societies, due to regulatory uncertainty and debates regarding their compliance with Islamic financial principles. These concerns are related to elements of *gharar* (uncertainty), *maysir* (speculation), and *dharar* (harm), which may influence investment decision-making among Muslim investors (Apriyanto et al., 2025; Batubara & Tho'in, 2024).

The primary goal of cryptocurrency is to provide an efficient, secure, and transparent peer-to-peer electronic payment system without the need for intermediary financial institutions (Yermack, 2017). Since the emergence of Bitcoin in 2009, cryptocurrency has evolved into a global economic phenomenon, transforming the way individuals and institutions interact with the digital financial system (Corbet et al., 2019).

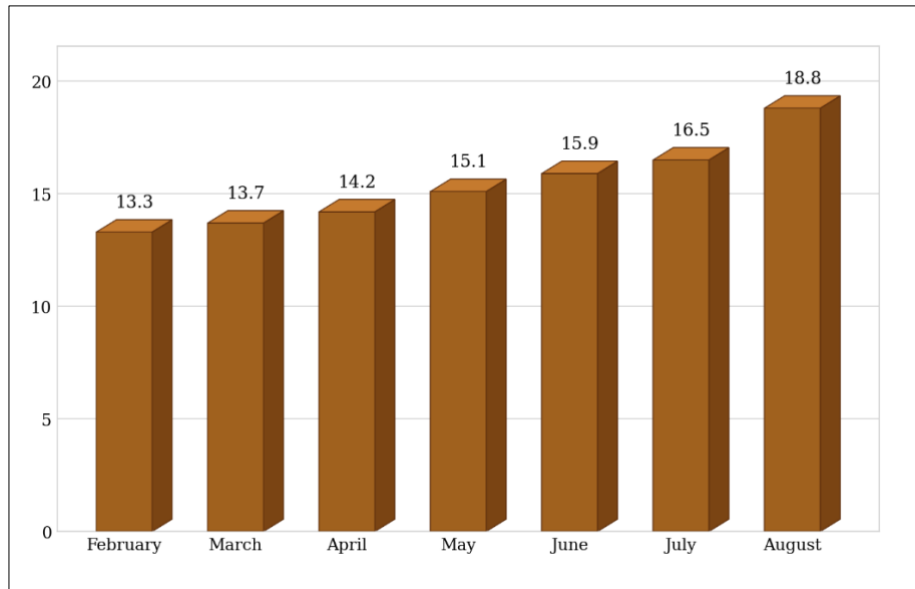
Its rapid development is driven by advances in financial technology (fintech), increasing blockchain adoption, and investor confidence in non-conventional alternative assets (Ante, 2022). The basic concept of cryptocurrency encompasses aspects of cryptography, decentralization, and network consensus, which allows for collective transaction verification through mechanisms such as Proof of Work or Proof of Stake (Antonopoulos, 2015). This phenomenon demonstrates that cryptocurrencies are no longer merely speculative instruments, but rather a global financial innovation that challenges traditional paradigms of monetary and investment systems (Böhme et al., 2015; Yermack, 2024). Over the past decade, adoption and investment in cryptocurrencies have increased exponentially worldwide. Research by Moeini Gharagozloo et al. (2025) shows significant growth in the global crypto adoption index in over 100 countries, driven primarily by the digitalization of financial systems and growing trust in blockchain technology.

From a global economic perspective, crypto investments are viewed as high-risk instruments with the potential for significant returns. According to Rao et al. (2025) extreme price volatility poses a major challenge to investment stability, but also opens up opportunities for investors focused on short-term returns and portfolio diversification. Arslan and Feyzullah (2025) add that while regulatory, cybersecurity, and speculative risks remain high, crypto remains viewed as an innovative asset capable of democratizing access to digital investments globally. Similarly Bajwa (2025) points out that investor risk tolerance has increased with the growth of the crypto market, with most investors viewing crypto as a promising alternative investment strategy amidst global economic uncertainty.

Along with the rapid growth of cryptocurrencies globally, complex ethical and regulatory challenges have also emerged. According to Gupta and Sharma (2025), one major issue is the absence of a uniform regulatory framework globally, creating opportunities for illegal activities such as money laundering, terrorism financing, and tax evasion. Furthermore, the anonymous nature of crypto transactions poses ethical challenges regarding transparency, fairness, and accountability in the digital financial market. Al Madhoun (2025) highlights that although many

countries have begun to partially legalize digital assets, the implementation of ethical standards and oversight still varies, posing high risks for young investors who lack digital financial literacy.

In the Indonesian context, the number of crypto asset investors has shown rapid growth. According to the latest report from the Financial Services Authority (OJK) as of August 2025, the number of national crypto investors had reached 18.8 million, an increase of approximately 36% compared to the beginning of the year (Pratama, 2025).



Source :Pratama (2025)

Figure 1. Number of Cryptocurrency Investors in Indonesia

Based on the graph above, it can be seen that the number of crypto investors in Indonesia continues to experience significant growth throughout 2025, indicating high public interest in digital assets as an alternative investment. Bappebti (Commodity Futures Trading Regulatory Agency) stated that this growth is driven by increasingly easy access to legally supervised digital asset trading platforms in Indonesia, including Binance Indonesia, Indodax, and Tokocrypto.

Furthermore, data from the Financial Services Authority (Otoritas Jasa Keuangan, 2025), shows that Generation Z and Millennials (30 years and under) now dominate nearly 60% of new investors in the digital financial sector, including stocks, mutual funds, and crypto. This phenomenon highlights a paradigm shift in investment among young people, who are increasingly financially literate and technology-oriented. Government policy support for the digital transformation of national finance and increasing digital financial literacy are key driving factors. This demonstrates that Indonesia is experiencing a revolution in youth participation in digital investment, with crypto becoming one of the most popular instruments due to its perceived futuristic, easy access, and high potential for returns (Giovanny, 2024).

The legal status of cryptocurrency in Indonesia remains a gray area. The government, through Bank Indonesia and the Financial Services Authority (OJK), does not recognize cryptocurrency as legal tender, but allows its use as a tradable commodity under the supervision of the Commodity Futures Trading Regulatory Agency (BAPPEBTI). Within the context of Islamic law, the Indonesian Ulema Council (MUI), through Fatwa Number 114/DSN-MUI/XI/2021, stipulates that the use of cryptocurrencies such as Bitcoin as currency is *haram*, as

they contain elements of *gharar* (uncertainty), *dharar* (loss), and high levels of speculation (Majelis Ulama Indonesia, 2021). However, some Islamic scholars and academics continue to open discussions about the potential of cryptocurrency as a digital asset that can be used productively if it meets Sharia principles, such as the existence of underlying assets and transaction transparency (Wiwoho et al., 2024).

This issue is highly relevant for Generation Z Muslims in Aceh, a region where Islamic Sharia law is implemented, given the high level of interest among the younger generation in digital investment. Furthermore, awareness of Islamic ethics and law needs to be continuously strengthened to ensure digital economic practices align with the principles of *Maqasid al-Shariah*. Religiosity has a significant relationship with interest in cryptocurrency investment, particularly among Muslim investors who consider *halal-haram* (permissible) and moral values in financial decision-making.

Research by Mnif et al. (2024) using the Technology Acceptance Model (TAM) found that religiosity does not necessarily inhibit interest in cryptocurrency, but rather depends on an individual's perception of the asset's halal status and economic benefits. Religious individuals with high investment literacy tend to be more critical in assessing the suitability of crypto to Sharia principles and are more open to modern financial innovations. Thus, financial literacy and awareness of *fatwas* (religious edicts) act as moderating factors in the relationship between religiosity and investment interest.

However, in Muslim communities such as Aceh, investment knowledge often interacts with religiosity and adherence to Sharia principles, which can either strengthen or hinder investment interest in digital assets. This research is crucial to bridge the gap between modern financial phenomena and religious values and investment knowledge, particularly among Generation Z Muslims who are pioneers in the digital economy. As emphasized by Nisa et al. (2025) and Fariana and Nadya (2024) the successful integration of financial innovation and Islamic ethics will determine the future direction of global Islamic finance.

Previous studies provide inconsistent findings regarding the role of religiosity in cryptocurrency investment intention. Mnif et al. (2024) found that religiosity positively influences the intention to use cryptocurrency and enhances perceived usefulness and ease of use, suggesting that highly religious individuals may view cryptocurrency as an acceptable financial innovation. In contrast, Naharudi et al. (2025) reported that religiosity has no significant effect on cryptocurrency investment intention. Similarly, prior research also reports inconsistent findings regarding the role of investment knowledge. Some studies indicate that investment knowledge positively influences cryptocurrency adoption (Zhao & Zhang, 2021), while others suggest no significant effect or even that knowledgeable investors tend to avoid high-risk digital assets (Awais et al., 2016). These contradictory findings indicate that the roles of religiosity and investment knowledge in shaping cryptocurrency investment intention remain unclear, particularly in Muslim majority regions such as Aceh, where adherence to Sharia principles may influence financial decision making.

To address this gap, this study aims to analyze the influence of religiosity and investment knowledge on cryptocurrency investment intention among Muslim Generation Z in Aceh. Theoretically, this study extends the Theory of Planned Behavior by positioning religiosity as a normative factor representing subjective norms and investment knowledge as a cognitive factor

reflecting perceived behavioral control in the context of cryptocurrency investment. This integration provides a more specific explanation of how Islamic values and financial literacy shape investment intention in digital assets. Practically, the findings are expected to inform Sharia financial education strategies and support the development of halal-oriented digital investment policies relevant to the digital economy. Thus, this study contributes to bridging Islamic ethical considerations with modern financial innovation within a contemporary Islamic economic framework.

2. Literature Review

Investment Intention

Investment intention is a psychological drive that integrates an individual's cognitive, affective, and conative aspects to engage in investment activities. Investment intention is a strong drive within an individual to learn about investment, including the practical application of purchasing investment products (Ar Rahman & Subroto, 2022).

Empirical studies highlight that investment intention is influenced by various psychological and informational factors. Previous research shows that financial literacy and investment knowledge significantly increase individuals' intention to invest in financial assets, including cryptocurrencies, as knowledgeable investors are more confident in evaluating risks and opportunities (Zhao & Zhang, 2021). In addition, religiosity has also been found to influence investment intention, particularly among Muslim investors, where religious beliefs shape attitudes toward financial instruments perceived as speculative or uncertain (Mnif et al., 2024; Naharudi et al., 2025). These findings suggest that investment intention in cryptocurrency is not solely driven by economic considerations but is also shaped by religious values and investment knowledge.

Indicators for measuring investment intention can be seen from Kusmawati (2011): (1) a strong desire to seek information about various investment instruments; (2) a willingness to devote time and resources to deepen understanding, for example through seminars or training; and (3) a tendency to apply the knowledge gained by trying to invest.

The Theory of Planned Behavior (TPB) proposed by Ajzen (1991) serves as an important theoretical framework for explaining behavioral intention. According to this theory, intention is influenced by three main factors: attitude toward behavior, subjective norms, and perceived behavioral control. Attitude toward behavior reflects an individual's evaluation of a particular action, while subjective norms refer to perceived social pressure from significant others. Perceived behavioral control represents an individual's perception of their capability to perform a behavior based on available resources and knowledge. A more favorable attitude, stronger social influence, and greater perceived control are associated with higher behavioral intention (Mahyarni, 2013). In investment decision-making, these components may reflect personal beliefs, social or normative considerations, and individuals' confidence in their financial understanding. Therefore, the Theory of Planned Behavior provides a relevant framework for examining how normative values and cognitive factors shape individuals' investment intention (Mahyarni, 2013).

Investment Knowledge

Knowledge is the result of learning and experience that shapes an individual's understanding of an object or activity (Ar Rahman & Subroto, 2022). Investment itself is defined

as the activity of investing capital with the expectation of future profits (Wibowo & Purwohandoko, 2019). Therefore, investment knowledge can be defined as an individual's understanding of how to effectively manage funds to achieve long-term financial goals.

According to Lusardi and Mitchell (2014) investment knowledge encompasses an understanding of risk, return, diversification, and the ability to analyze financial instruments. Research by Zhao and Zhang (2021) found that financial literacy and investment experience positively influence investment decisions in cryptocurrency, with investment experience having a stronger effect. This suggests that an understanding of blockchain technology, price volatility, and digital asset security strengthens an individual's interest in crypto investment.

Research by Candra and Abdullah (2023) emphasized that investment knowledge must also include aspects of Sharia compliance, especially for Muslim investors. Therefore, this study uses three main indicators to measure investment knowledge: Basic Crypto Asset Knowledge, Market and Risk Knowledge, and Regulatory and Sharia Knowledge (Candra & Abdullah, 2023). These indicators are designed to gauge investors' understanding of crypto investment mechanisms, inherent risks, and legal status.

Religiosity

Religiosity is a behavior that arises within an individual due to the influence of the situation and the level of adherence to their religion/beliefs (Rakhmat, 2007). Religiosity can also be defined as the extent to which an individual's religious beliefs and practices play a significant role in the purchasing decision-making process. This encompasses the influence of religious values, beliefs, and practices on individuals' decisions in selecting the goods and services they purchase. In increasingly diverse and complex communities, it is crucial for marketers and entrepreneurs to understand how religious beliefs influence purchasing decisions.

In the context of Islamic economics, religiosity is closely related to the principles of *fiqh muamalah*, which regulate permissible and prohibited economic transactions based on Islamic law. These principles emphasize justice, transparency, and the avoidance of elements such as *riba*, *gharar* (uncertainty), *maysir* (speculation), and *dharar* (harm) that may negatively affect economic welfare (Budyanti et al., 2021). Therefore, individuals with higher levels of religiosity tend to evaluate financial decisions based on Sharia compliance by considering ethical aspects alongside potential financial returns.

From the perspective of *Maqasid al-Shariah*, financial decision-making should aim to preserve wealth (*hifz al-mal*) while promoting public welfare (*maslahah*) and preventing harm (*mafsadah*) (Syahrani et al., 2024). Investments characterized by high uncertainty, significant volatility, and unclear intrinsic value may conflict with these objectives because they expose investors to potential financial instability. Consequently, individuals with higher religiosity tend to prioritize ethical and risk considerations in their investment decisions (Dharma et al., 2024).

Afifah and Tubastuvi (2025) state that religiosity can be measured using several indicators: belief, practice, religious knowledge, spiritual experience, and consequence. The higher a person's level of religiosity, the greater their tendency to adhere to Sharia principles in economic activities. Research by Wijaya et al. (2024) shows that high levels of religiosity can encourage interest in investments considered halal and ethical, such as Sharia financial products. Religious individuals

are generally selective and cautious in their investments, avoiding practices involving usury, *gharar*, and *maysir* (risk of risk).

However, when it comes to cryptocurrency, research results are mixed. Some studies have found that religiosity actually reduces investment interest in digital assets due to their debatable legal status and the Indonesian Ulema Council (MUI) fatwa declaring crypto as a medium of exchange (Kusumawati et al., 2025). The majority of Islamic scholars still debate the legal status of digital currencies like Bitcoin, considering them highly speculative and lacking clear intrinsic value (Albalawee & Al Fahoum, 2023). This situation makes investors with high religious affiliations tend to avoid crypto investments until there is clarity on religious law.

3. Research Method

This study uses a quantitative approach with a causal associative approach to analyze the influence of the independent variables, namely Religiosity (X_1) and Investment Knowledge (X_2), on the dependent variable, Cryptocurrency Investment Interest (Y), among Generation Z Muslims in Aceh Province. The analysis was conducted using Partial Least Squares Structural Equation Modeling (PLS-SEM), which is suitable for examining complex relationships between latent constructs measured by multiple indicators. PLS-SEM was selected because this method is prediction-oriented, does not require strict normality assumptions, and is appropriate for exploratory models and behavioral research involving relatively large samples. In addition, PLS-SEM allows simultaneous assessment of measurement and structural models, enabling the evaluation of construct reliability, validity, and hypothesis testing within a single analytical framework (Sarstedt et al., 2021).

The study population was Generation Z Muslims in Aceh Province aged 15–28 years, totaling 1,415,700 according to data from the Central Statistics Agency (BPS) of Aceh Province (BPS Aceh, 2024). The sample size was determined using the Raosoft Sample Size Calculator (Raosoft, Inc., 2004) with a margin of error of 5%, a confidence level of 95%, a response distribution of 50%, and a population size of 1,415,700, resulting in a minimum sample size of 375 respondents rounded up to 400 respondents.

The sampling technique used purposive sampling with the following criteria: (1) Muslim; (2) belonging to Generation Z (aged 15–28 years); (3) domiciled in Aceh Province; and (4) had been exposed to cryptocurrency investment information. Data collection was conducted through an online questionnaire using a 5-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree).

Data analysis used Partial Least Squares–Structural Equation Modeling (PLS-SEM) with SmartPLS 4.0 software in three stages: (1) evaluation of the measurement model (outer model) using convergent validity, discriminant validity, and composite reliability tests; (2) evaluation of the structural model (inner model) using R-square and path coefficient tests; and (3) hypothesis testing using bootstrapping with the criteria of a t-statistic > 1.96 and a p-value < 0.05 (Hair et al., 2021).

4. Result and Discussion

Participant Profile

Based on the data presented in Table 1, the characteristics of the 400 respondents show a fairly balanced gender distribution, with a slightly higher percentage of women (54.75%) than men (45.25%). In terms of age, the majority of respondents were young, with the 21-23 age group making up the largest (40.0%), followed by the 18-20 age group (32.5%). In terms of education, the majority of respondents were university students or university graduates (55%), followed by high school/vocational school graduates (42.5%), indicating a relatively high level of educational literacy relevant to the digital investment context.

Geographically, respondents were spread across various districts/cities in Aceh. The largest number of respondents came from Banda Aceh (17.5%), Sabang (10.75%), and Aceh Besar (9.5%), which are urban areas and centers of educational and economic activity in Aceh. Most other regions had percentages below 5%. This distribution reflects a fairly broad representation of various districts/cities in Aceh Province, although the largest participation is still dominated by areas with better access to information and technology.

Table 1. Descriptive Statistics of Respondents

Characteristic	Result
Gender	
Male	45,25%
Female	54,75%
Age	
15-17	15,00%
18-20	32,50%
21-23	40,00%
24-28	12,50%
Educational Levels	
Senior High School/ Vocational School	42,50%
Bachelor's Degree/Diploma	55,00%
Master Degree	2,50%
Subdistrict	
Banda Aceh	17,50%
Sabang	10,75%
Langsa	5,50%
Lhokseumawe	6,00%
Subulussalam	2,00%
Aceh Barat	4,75%
Aceh Tengah	4,50%
Aceh Tenggara	2,25%
Aceh Timur	4,00%
Aceh Utara	3,75%
Bener Meriah	2,00%
Bireuen	3,50%
Aceh Barat Daya	3,00%
Aceh Besar	9,50%
Aceh Jaya	2,75%
Aceh Selatan	3,25%
Aceh Singkil	2,50%
Aceh Tamiang	3,25%
Gayo Lues	2,00%
Nagan Raya	2,75%
Pidie	1,75%
Pidie Jaya	1,50%
Simeulue.	1,25%

PLS-SEM Results

Referring to the guidelines of [Hair et al. \(2021\)](#), PLS-SEM analysis is conducted in two stages: (1) evaluation of the measurement model (outer model) to assess reliability and construct validity; and (2) evaluation of the structural model (inner model) to test the relationships between latent variables and measure the model's predictive power.

Measurement and Structural Model Evaluation

According to Hair et al. (2021), the first stage in Partial Least Squares–Structural Equation Modeling (PLS-SEM) analysis is evaluating the measurement model to ensure that the indicators used reliably and validly reflect the latent construct. Measurement model evaluation encompasses three main aspects: construct reliability, convergent validity, and discriminant validity.

Construct reliability measures the internal consistency of the indicators that make up a latent variable. According to Hair et al. (2021), construct reliability can be assessed using two main measures: Cronbach's α and Composite Reliability (CR).

- a. A Cronbach's α value above 0.60 is acceptable for exploratory research, while a value above 0.70 indicates good reliability.
- b. A CR value above 0.70 indicates strong internal consistency between construct indicators.

In this research analysis, both Cronbach's α and Composite Reliability (CR) for all constructs showed values exceeding the recommended threshold, ranging from 0.863–0.942 for Cronbach's α and 0.898–0.956 for CR, respectively (see Tables 2 and 3). Thus, it can be concluded that all constructs in the model have excellent reliability and high internal consistency.

Table 2. Measurement Model Results

Latent Variables	Notation	Loading Factor	t-value	Cronbach's α	CR	AVE
Investment Interest	MI1	0.903	74.262	0.942	0.956	0.811
	MI2	0.892	81.775			
	MI3	0.935	124.291			
	MI4	0.890	55.706			
	MI5	0.882	61.768			
Religiosity	RL1	0.796	5.746	0.867	0.902	0.650
	RL2	0.822	5.895			
	RL3	0.775	6.038			
	RL4	0.877	7.120			
	RL5	0.754	4.841			
Investment Knowledge	PI1	0.822	36.422	0.863	0.898	0.638
	PI2	0.794	24.353			
	PI3	0.847	42.327			
	PI4	0.729	17.707			
	PI5	0.798	45.286			

*Note: MI = Investment Interest, RL = Religiosity, PI = Investment Knowledge

Table 2 shows that all indicators have factor loadings above the recommended minimum, confirming that each item consistently measures its intended construct. The evaluation of the measurement model criteria is further summarized in Table 3.

Table 3. Measurement Model Evaluation Criteria and Obtained Values

Index		Threshold	Values Earned
Internal Consistency	Cronbach α	> 0.70	0.863 – 0.942
	CR	> 0.70	0.898 – 0.956
Indicator Reliability	External Loading	> 0.70	0.729 – 0.935
Convergent Validity	AVE	> 0.50	0.638 – 0.811
Discriminant Validity	Fornell-Larcker criteria	Fornell-Larcker Criterion: $\sqrt{\text{AVE}}$ of each construct > its correlation with all other constructs	Fulfilled for all constructs (see Table 4)
	Cross-loading	Cross loading: each indicator has a higher loading on its own construct than on other constructs	Fulfilled for all indicators

Convergent validity measures the extent to which indicators of a construct correlate with each other and represent the same latent construct. Based on [Hair et al. \(2021\)](#) standards, convergent validity is assessed through Average Variance Extracted (AVE) and factor loadings. An AVE value above 0.50 indicates that the construct explains more than 50% of the variance in its indicators, while a factor loading of ≥ 0.70 indicates that the indicator has a strong and significant contribution to the construct being measured.

Based on the research results, all factor loadings ranged from 0.729 to 0.935, while the AVE value for each construct ranged from 0.638 to 0.811. Both results exceeded the recommended minimum threshold, concluding that the model meets the criteria for adequate convergent validity (see Tables 2 and 3).

Table 4. Fornell-Larcker Criteria (FCL) for Discriminant Validity

Constructs			
	Investment Knowledge	Investment Interest	Religiosity
Investment Interest			
Investment Knowledge	0.498		
Religiosity	0.120	0.726	

**Note:* The bold values in the yellow table are the square roots of AVE.

Furthermore, discriminant validity confirmed that each construct in this research model is unique and empirically distinguishable from the others. This evaluation was conducted using two main methods, as recommended by [Hair et al. \(2021\)](#), the Fornell-Larcker criterion and cross-loading analysis.

- Based on the Fornell-Larcker criterion, the square root of the AVE for each construct must be greater than the correlation between the other constructs.
- In the cross-loading test, each indicator must have a higher loading on its original construct than on the other constructs.

The results showed that both criteria were met. The square root of the AVE for each construct was greater than the correlation between the constructs (see Table 4), and all indicators had the highest loading on their own constructs. Thus, the discriminant validity of this model was found to be well-met.

Discussion

This study aims to analyze the influence of religiosity and investment knowledge on cryptocurrency investment interest among Generation Z Muslims in Aceh. PLS-SEM test results indicate that both variables contribute significantly to investment interest, with different directions of relationship. Religiosity was found to have a negative and significant effect on cryptocurrency investment intention, indicating that individuals with higher levels of religiosity tend to show lower interest in investing in digital assets such as cryptocurrency. From the perspective of the Theory of Planned Behavior, religiosity can function as a normative factor that shapes subjective norms, influencing individuals to align their financial decisions with religious values. In Muslim communities, investment decisions are often evaluated based on compliance with Sharia principles, particularly regarding elements of *gharar* (uncertainty), *maysir* (speculation), and *dharar* (harm). Consequently, higher religiosity may strengthen perceived normative pressure to avoid financial instruments considered ambiguous or speculative.

This finding is consistent with previous studies reporting that religiosity reduces interest in speculative financial assets, as religious beliefs shape risk perception and ethical evaluation in investment decision-making (Batubara & Tho'in, 2024; Naharudi et al., 2025). Similarly, research by (Apriyanto et al., 2025) indicates that Muslim investors with strong religious commitment tend to avoid cryptocurrency due to concerns regarding Sharia compliance and uncertainty. Therefore, the negative relationship between religiosity and cryptocurrency investment intention reflects the role of religious values in moderating risk perception and shaping investment behavior in the context of digital financial innovation.

In Indonesia, although the Commodity Futures Trading Regulatory Agency (Bappebti) has designated cryptocurrency as a tradable commodity, Bank Indonesia and the Financial Services Authority (OJK) have not yet recognized it as legal tender. Fatwa of the National Sharia Council of the Indonesian Ulema Council (DSN-MUI) Number 114/DSN-MUI/XI/2021 also explicitly states that the use of cryptocurrency as currency is haram (forbidden) due to its speculative nature and the lack of a clear underlying asset. This situation creates a regulatory dualism that leaves the public, particularly Muslim investors, hesitant to actively participate in the digital asset market (Wiwoho et al., 2024). This aligns with the view of (Gupta & Sharma, 2025), who highlight that the lack of global regulatory standards for digital assets leads to legal ambiguity and ethical risks, ultimately hindering participation by conservative investors.

In contrast to religiosity, research results show that investment knowledge has a positive and significant influence on cryptocurrency investment interest. This suggests that the higher an individual's level of investment literacy and knowledge, the greater their likelihood of interest in investing in digital assets. Investment knowledge encompasses an understanding of market mechanisms, risks, returns, and regulatory aspects and Sharia compliance. Individuals with adequate knowledge are able to assess volatility risks and understand blockchain technology more rationally, thus tending to have a positive attitude toward digital assets despite the high risks (Zhao & Zhang, 2021).

Thus, investment knowledge functions as a cognitive factor that can balance the normative influence of religiosity. Within the framework of the Theory of Planned Behavior (Ajzen, 1991), knowledge contributes to increased perceived behavioral control, namely an individual's confidence in their ability to make conscious and rational investment decisions.

5. Conclusions

This study aims to analyze the influence of religiosity and investment knowledge on cryptocurrency investment interest among Generation Z Muslims in Aceh. The results confirm that, in the context of Generation Z Muslims in Aceh, religiosity and investment knowledge have inverse effects on cryptocurrency investment interest. High levels of religiosity, compounded by uncertainty regarding Sharia law and regulations, tend to decrease investment interest. Conversely, adequate investment knowledge increases interest by strengthening individuals' perceived behavioral control.

These findings emphasize the importance of striking a balance between Islamic values and digital financial literacy. Therefore, developing Sharia investment literacy and ensuring clear regulations regarding digital assets are urgently needed to enable young Muslims to participate responsibly in the modern financial ecosystem in accordance with Sharia principles.

Overall, the results of this study indicate that the combination of religiosity and investment knowledge shapes complex investment behavior patterns among Generation Z Acehnese Muslims. Religiosity acts as a normative inhibitor, while investment knowledge serves as a cognitive driver, strengthening interest in digital assets.

These results expand the application of the Theory of Planned Behavior (TPB) in the context of digital Islamic finance. TPB explains that investment behavior is influenced by three factors: attitude toward behavior, subjective norm, and perceived behavioral control (Ajzen, 1991). In this study, religiosity serves as a proxy for subjective norm, while investment knowledge reflects perceived behavioral control. When the two interact, a dynamic emerges between religious values and economic rationality in crypto investment decision-making.

From a practical perspective, the results of this study have important implications for Islamic financial institutions, regulators, and financial educators. First, there is a need for digital Islamic investment education that emphasizes a deep understanding of blockchain technology and halal principles in digital assets. Second, authorities such as BAPPEBTI and OJK can collaborate with Islamic educational institutions to expand halal investment literacy among the younger generation. Third, increasing transparency and accountability of Islamic crypto platforms can reduce risk perception and increase Muslim investor confidence.

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