



Digital Currency and the Question of Trust: CBEX Trading in Nigeria from Islamic Economic Lens

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Abstract

The digital revolution has reshaped financial systems globally, introducing cryptocurrencies and Central Bank Digital Currencies (CBDCs) as alternative instruments of transaction and investment. In Nigeria, this transformation has coincided with the proliferation of digital-based Ponzi schemes, notably the collapse of the CBEX (Crypto Binary Exchange) platform, raising ethical and regulatory concerns. This study examines the relationship between digital currency, Ponzi schemes, and economic trust in Nigeria from contemporary economic and Islamic ethical perspectives. It evaluates how unregulated digital investments undermine economic justice and Islamic economic values. Adopting a qualitative approach, the study analyzes the CBEX case as a representative example. Data were drawn from Islamic economic literature, media reports, and regulatory commentaries to assess the broader ethical and socio-economic implications. The findings indicate that while digital currencies present genuine economic opportunities, inadequate regulation and low financial literacy have facilitated fraudulent schemes. From an Islamic perspective, CBEX-like operations contravene fundamental principles including transparency (*bayān*), trustworthiness (*amānah*), and the prohibition of excessive uncertainty (*gharar*) and gambling (*maysir*). The study concludes that restoring economic trust requires stronger regulatory oversight, enhanced public financial education, and ethical reorientation. It recommends a balanced framework that supports digital financial innovation while embedding robust legal safeguards and Islamic ethical principles to prevent exploitation and ensure economic justice.

Keywords: Digital currency, CBEX Trading, Islamic economy, trust, Ponzi schemes.

Introduction

In an era marked by rapid technological advancement, digital currencies have emerged as transformative tools within the global financial ecosystem. Cryptocurrencies such as Bitcoin and Ethereum, stablecoins pegged to fiat currencies, and central bank digital currencies (CBDCs) are increasingly adopted for transactions, savings, and investment. These innovations promise enhanced financial inclusion, reduced transaction costs, and improved monetary governance. However, the rapid expansion of digital finance has also generated a shadow economy of deceptive practices – most notably Ponzi schemes – that exploit public enthusiasm and low financial literacy (Krissnawati, 2017).

Nigeria offers a revealing case study in this regard. With a youthful population, high internet penetration, and persistent economic insecurity, the country has become fertile ground for digital financial schemes. One such platform, CBEX (Crypto Binary Exchange), promised unrealistic returns and leveraged social networks to attract thousands of investors before collapsing and absconding with their funds. This incident highlights not only structural weaknesses within Nigeria's digital financial environment but also deeper concerns regarding economic trust and ethical financial conduct (Emmanuel, 2025).

Trust is a foundational pillar of any functional economic system. It serves both as a precondition for financial exchange and as an outcome of ethical conduct. Its erosion destabilizes markets, discourages investment, and weakens institutional credibility. From an Islamic economic perspective, trust is inseparable from core values such as 'adl (justice), amānah (trustworthiness), and the prohibition of riba (usury), gharar (uncertainty), and maysir (gambling). When financial schemes disregard these principles – as exemplified by CBEX – they not only breach ethical norms but also threaten socio-economic wellbeing (Bello, 2015).

Despite the rapid growth of digital currencies in Nigeria, there remains a significant gap between technological innovation and effective ethical-regulatory oversight. The proliferation of Ponzi schemes such as CBEX demonstrates how digital platforms can be manipulated to exploit economic vulnerability, erode public trust, and undermine financial stability. There is insufficient scholarly engagement that integrates contemporary economic analysis with Islamic ethical evaluation in addressing these challenges within the Nigerian context.

This study examines the growth and operational dynamics of digital currencies in Nigeria, analyzes the structure and mechanisms of Ponzi schemes with particular reference to CBEX, evaluates the implications of such schemes on economic trust and financial stability, assesses digital Ponzi operations in light of Islamic economic principles, and proposes ethical and regulatory measures to safeguard economic integrity in the digital financial space.

This study is justified by the urgent need to critically assess digital financial practices through both regulatory and ethical lenses. Given Nigeria's growing participation in

digital finance and its predominantly religious socio-cultural framework, examining Ponzi schemes from an Islamic economic perspective provides valuable insights for policy formulation, ethical reorientation, and public financial education. The study contributes to the literature on digital finance, economic trust, and Islamic economics, particularly within emerging economies.

Material and Method

This study adopts a qualitative research methodology anchored in a case study design. It utilizes the CBEX (Crypto Binary Exchange) platform as a representative case to explore the intersection between digital currencies, Ponzi schemes, and economic trust in Nigeria. Data are drawn primarily from secondary sources, including scholarly works on digital finance and Islamic economics, regulatory reports, policy documents, and credible media publications. The study also engages classical and contemporary Islamic economic texts to evaluate the ethical dimensions of digital Ponzi operations. Through descriptive and analytical methods, the research critically examines the operational structure of CBEX, its socio-economic implications, and its conformity—or otherwise—with Islamic financial principles. This multidisciplinary approach enables a comprehensive understanding of both the economic realities and ethical considerations shaping digital financial practices in Nigeria.

Digital Currency and Contemporary Economic Practice

Digital currency, in its broadest sense, refers to any form of money that exists exclusively in electronic form and is exchanged through digital platforms (Bank for International Settlements [BIS], 2015). Unlike physical cash, digital currencies are intangible and operate within cyberspace infrastructure (European Central Bank [ECB], 2012). They include cryptocurrencies such as Bitcoin and Ethereum, which rely on cryptographic protocols and decentralized blockchain networks (Antonopoulos, 2017), as well as Central Bank Digital Currencies (CBDCs), which are digital representations of sovereign fiat currency issued by monetary authorities (BIS, 2021). Stable coins, another category, are typically pegged to traditional fiat currencies such as the US Dollar or Euro to minimize price volatility (Financial Stability Board [FSB], 2020). These digital currencies are secured through cryptographic techniques and commonly operate on blockchain or distributed ledger technologies (DLT), which enhance transparency, security, and transaction immutability (Pilkington, 2016).

The role of digital currency in contemporary economic practice is increasingly significant, particularly in promoting financial inclusion. In many developing economies, a large portion of the population remains unbanked due to barriers such as limited access to physical banking infrastructure, lack of documentation, or geographic constraints. Digital currencies offer a viable solution by enabling individuals to transact, save, and invest using only a mobile phone and internet connection. In this way, they empower marginalized groups, including rural dwellers and small-scale entrepreneurs, by integrating them into the formal financial ecosystem (Egbuna, 2022).

Moreover, digital currencies contribute to the efficiency and cost-effectiveness of economic transactions. Traditional banking and remittance services often involve high fees and long settlement periods, especially in cross-border transfers. Digital currencies eliminate many

intermediaries in the transaction process, thus reducing fees and enabling near-instantaneous value transfers across the globe. This transformation holds great promise for international trade, freelance economies, and diaspora remittances, where speed and cost efficiency are critical (Toni et al., 2024).

Another key area where digital currencies play an impactful role is in monetary policy and economic governance. With the emergence of CBDCs, central banks are exploring ways to harness the potential of digital currencies to enhance the effectiveness of monetary policy transmission. CBDCs allow for real-time monitoring of money supply and spending patterns, which can aid in more responsive and targeted policy interventions. Additionally, programmable features embedded in CBDCs could be used to direct stimulus payments, manage interest rates, or enforce financial regulations in a more precise and transparent manner (Toni et al., 2024).

The decentralized nature of many digital currencies, particularly cryptocurrencies, also challenges the conventional banking system by disintermediating financial transactions. This decentralization reduces reliance on central authorities and enables peer-to-peer financial interactions, fostering a sense of autonomy and privacy among users. However, this same feature raises serious concerns about regulatory oversight, financial crimes, and systemic risk. The anonymity and ease of cross-border transfers in cryptocurrency markets have made them attractive for money laundering, tax evasion and even financing of illegal activities. These concerns necessitate robust regulatory responses to balance innovation with financial stability and consumer protection (Egbuna, 2022).

Furthermore, digital currencies have introduced novel forms of investment and fundraising, such as Initial Coin Offerings (ICOs), Security Token Offerings (STOs), and Non-Fungible Tokens (NFTs). These innovations have democratized access to investment opportunities, allowing individuals and small firms to raise capital and participate in global markets. However, the unregulated nature of many of these instruments has also exposed investors to high levels of risk, fraud, and market manipulation (Toni et al., 2024). The transformative impact of digital currencies on financial inclusion, efficiency, and innovation has been widely acknowledged in global financial discourse (World Bank, 2022; Bank for International Settlements [BIS], 2021). At the same time, scholars and regulatory bodies emphasize that digital financial assets pose significant risks related to consumer protection, financial stability, and illicit activities, thereby necessitating robust regulatory frameworks and coordinated international oversight (Financial Stability Board [FSB], 2020; International Monetary Fund [IMF], 2023). Furthermore, sustainable integration of digital currencies into national economies requires enhanced public financial literacy and cross-border regulatory cooperation to safeguard economic integrity and social justice (OECD, 2023; BIS, 2023).

The Role of Trust in Economic Practice

Economic growth has long been a priority for nations. In the 1950s, Robert Solow's neoclassical growth model emphasized population growth, savings, and technological progress—especially through education and research—as drivers of development. (Robert and Sala-i-Martin, 1995) However, this model fell short in explaining persistent income disparities across countries, prompting economists like North, Stiglitz and Acemoglu to focus on institutional quality. They argued that governance, legal structures, and

incentives significantly influence innovation and wealth creation (Storonyanska, Ivashko, and Mieszajkina, 2022).

More recently, behavioral economists such as Akerlof and Shiller (2009) have shown that information asymmetry, manipulation and perception shape economic outcomes. They place trust and fairness at the center of a functional economic system. While Solow's fundamentals—investment and productivity—remain relevant, trust is now seen as a key determinant of both.

Trust fosters long-term investments, enhances organizational performance, and encourages innovation; in fact, empirical research shows that firms located in high-trust environments invest more in research and development and achieve stronger innovative outcomes compared with those in low-trust contexts. For instance, during the COVID-19 pandemic, mutual trust between employers and employees facilitated the transition to remote work, reducing costs and maintaining productivity. In contrast, low-trust environments tend to favor short-term, risk-averse projects. Where trust is high, individuals and firms are more willing to invest in human capital and engage in research and development. (Sadok E. et.al, 2023)

Trust also supports decentralized decision-making, allowing organizations to adapt quickly to change. It promotes cooperation across economic actors—investors, intermediaries, contractors—lowering transaction and enforcement costs. At the policy level, trust improves public administration, curbs inefficiency and enables successful reforms, particularly in education and human capital development (Tavares, Vale and Andreia, 2024).

As a core element of social capital, trust is an invisible yet vital foundation for economic systems. It reduces uncertainty and facilitates complex transactions. Without trust, economic agents must expend significant resources on monitoring and enforcement, making exchanges inefficient. At both micro and macro levels, trust acts as a lubricant for markets, institutions, and financial systems. It ensures that individuals, firms, and governments can transact confidently, form partnerships, and commit to long-term strategies (Edward and Singh, 2023).

Financial systems are especially dependent on trust. Banks require depositor confidence to function effectively, while businesses depend on trust within supply chains, labor relations, and customer networks. Investor confidence in regulatory quality and macroeconomic stability significantly shapes domestic and foreign capital flows. A breakdown of trust can trigger capital flight, financial instability, and institutional crises (OECD, 2023). Thus, maintaining trust is central to economic resilience and long-term prosperity.

Moreover, trust is crucial for entrepreneurship. In environments where contracts are honored and regulations are reliable, individuals are more willing to take risks and create new value. High-trust societies also exhibit strong social capital—networks and shared norms that foster community cooperation and informal economic activity. (Bello, 2016)

Beyond economics, trust reflects ethical values like honesty, reliability and integrity. Many religious and traditional systems view trust as a moral duty, not just a tool for efficiency. It binds economic actors through shared principles and ensures that economic life is not only productive but just and sustainable. In today's interconnected world, nurturing trust is essential to safeguard against systemic fragility and ensure lasting prosperity. (Bello, 2016)

Ponzi Schemes and Economic Implications

The term Ponzi scheme traces its origin to the fraudulent activities of Charles Ponzi in the early 20th century. In 1920, Ponzi orchestrated one of the most infamous financial scams in American history by promising investors extraordinarily high returns – specifically, a 50% profit in 45 days or a 100% profit in 90 days. He claimed to be profiting from the arbitrage of international postal reply coupons, but in reality, he was simply using funds from new investors to pay earlier ones. The scheme ultimately collapsed when investor withdrawals exceeded new inflows, exposing the unsustainable and deceptive structure. Though Ponzi was not the first to run such a scheme, his name became permanently associated with this type of financial fraud (Abdulla Hamed, 2024).

A Ponzi scheme is fundamentally a form of investment fraud that relies on the continuous recruitment of new investors to pay returns to earlier ones. It operates without any legitimate underlying business activity or profit generation. The illusion of profitability and consistency is maintained through fabricated statements, misleading communications, and false assurances. As long as the scheme attracts new participants, it may appear successful. However, it is inherently unsustainable and collapses when the pool of new investors dwindles or when a large number of participants seek to withdraw their funds simultaneously. (OECD (2022)

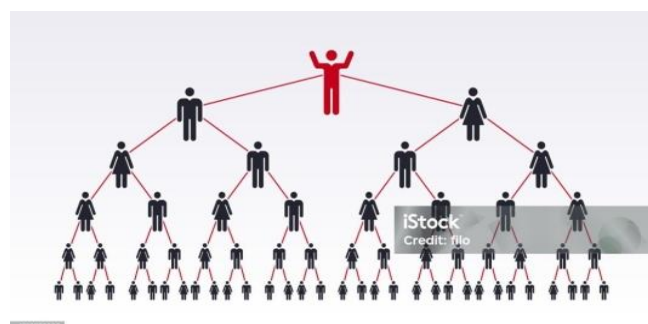
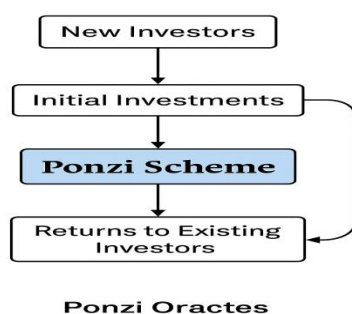
Alfinuri and Sauri, (2022) cited some of the common types of cryptocurrency scams including the following:

Ponzi schemes: In a Ponzi scheme, investors are promised high returns on their investment but the payouts are funded by the investments of new investors. These schemes are often unsustainable and eventually collapse, resulting in significant losses for investors. Several high-profile cryptocurrency Ponzi schemes have been uncovered in Indonesia in recent years.

Phishing scams: Phishing scams involve tricking individuals into divulging their sensitive information, such as passwords or private keys, by impersonating a legitimate organization. In the context of cryptocurrencies, these scams often involve fraudulent websites or emails that appear to be from a legitimate exchange or wallet provider.

Fake ICOs: An initial coin offering (ICO) is a fundraising method used by startups to raise funds for a new cryptocurrency. Fake ICOs involve fraudulent startups that issue a new cryptocurrency, collect funds from investors, and then disappear without delivering any product or service.

Images 1 and 2 showing Operational Structure of Ponzi Scheme



Source: Getty images (<https://www.gettyimages.com/> 2025)

The collapse of a Ponzi scheme can have wide-ranging economic consequences, both at the individual and systemic levels. Firstly, the most direct impact is financial loss to individuals who may have invested their savings, retirement funds, or even borrowed resources into what they believed to be a legitimate venture. These losses often lead to emotional trauma, reduced consumer spending, and a deterioration of household financial security. (U.S. Securities and Exchange Commission [SEC], 2023).

Secondly, Ponzi schemes erode public trust in the financial system. Once exposed, they can create skepticism about legitimate financial institutions, investment platforms, and regulatory bodies. This erosion of trust can dampen participation in financial markets and reduce capital formation, thereby stunting economic growth. In some cases, they may also deter foreign investment, particularly in economies where regulatory enforcement is perceived as weak or corrupt. (World Bank, 2022).

Thirdly, the exposure of such schemes often necessitates government intervention, such as bailouts, regulatory reforms, or criminal investigations. These responses require the reallocation of public resources and may lead to stricter financial regulations that can inadvertently stifle genuine innovation and investment in the sector. Furthermore, public outrage and loss of confidence can pressure policymakers to adopt more conservative economic policies, sometimes at the expense of economic dynamism. (International Monetary Fund [IMF], 2023)

Finally, the proliferation of Ponzi schemes in a society can be symptomatic of deeper socio-economic problems—such as widespread poverty, low financial literacy, high unemployment and a lack of access to credible investment opportunities. In such contexts, the promise of quick and high returns becomes particularly alluring and the likelihood of large-scale victimization increases. The socio-economic damage, therefore, is not limited to the financial loss of a few but can result in national crises of confidence and stability. (OECD, 2020)

Although Ponzi schemes may seem like isolated cases of financial fraud, their repeated occurrence and widespread economic consequences highlight the urgent need for strong regulatory systems, widespread financial education and adherence to ethical standards in economic activities. These schemes affect not only direct victims but also undermine public confidence, institutional integrity, and overall societal stability. (Financial Stability Board [FSB], 2020)

Ponzi Schemes and the Nigerian Experience: The Case of CBEX

Ponzi schemes have remained a persistent challenge in Nigeria's financial landscape, evolving across decades and adapting to new technologies. Although such schemes date back to the 1980s, they gained national prominence with cases like MMM, which ensnared millions of Nigerians between 2016 and 2017. Driven by economic hardship, low financial literacy, and the promise of quick returns, many Nigerians continue to fall victim to increasingly sophisticated digital investment frauds (Obamuyi, T. M., et.al, 2018).

With the growth of mobile technology, social media, and cryptocurrency use, contemporary Ponzi schemes now take the form of online trading platforms, e-commerce ventures, or crypto-investment companies. These platforms often use polished interfaces, fabricated testimonials, referral incentives, and pseudo-technical claims—such as the use

of artificial intelligence or blockchain – to project legitimacy while concealing the absence of actual economic activity (Jaiyeola, 2024).

The collapse of the Crypto Bridge Exchange (CBEX) in 2025 exemplifies this digital evolution. Launched in July 2024, CBEX promised extraordinary returns – up to 100 percent in 30–45 days – and rapidly expanded through referral bonuses and aggressive online promotion. Although early participants reportedly received payouts, warning signs emerged when withdrawal delays surfaced in April 2025. By mid-April, the platform became inaccessible, after which its operators allegedly absconded with an estimated ₦1.3 trillion (about \$840 million) (Emmanuel, 2025).

Subsequent investigations revealed that CBEX operated without regulatory approval and mimicked elements of legitimate exchanges such as ByBit. Cryptocurrency analysts traced large volumes of investors' funds to TRX blockchain addresses, concluding that the platform never engaged in genuine trading activities. This mode of operation aligns with classical Ponzi structures: payouts to early users were derived solely from deposits of new participants (Aljazeera, 2024).

The human impact of the collapse was severe. Many investors – including young graduates, artisans, and low-income earners – lost savings, business capital, or borrowed funds. Cases such as those of Fadahunsi and Waris Oyedele illustrate how individuals' hopes of using CBEX returns to acquire land, pursue education, or escape economic hardship were dashed. Social media backlash, protests at CBEX offices in Lagos and Ibadan and widespread public anger highlighted the scale of the devastation. (Premium Times, 2025).

Despite reassurances circulated in CBEX-affiliated WhatsApp groups that withdrawal issues were “mere rumours,” the platform became inaccessible by Monday. Investors subsequently reported substantial losses, with some, such as Femi Azeez, claiming to have lost over ₦3 million. Following the collapse, CBEX locked its Telegram channels, restricted WhatsApp group communications, and introduced a so-called “verification fee,” requiring users to pay \$100–\$200 to ostensibly unlock larger sums. This development intensified suspicion and frustration among victims (Aljazeera, 2024).

Jaiyeola (2024) assert that the aftermath triggered widespread reactions across social media, including videos of aggrieved investors storming CBEX offices in Ibadan and Lagos. During a public X Space discussion, cryptocurrency analysts reported that stolen CBEX funds were traced to a TRX wallet address, with estimated losses running into hundreds of millions of USDT, while also noting that the platform was unlicensed and had mimicked elements of established exchanges to appear legitimate (Nairametrics, 2025).

The CBEX scandal also exposed persistent gaps in Nigeria's regulatory system. Although the Securities and Exchange Commission (SEC) repeatedly warned against unregistered platforms, enforcement mechanisms were limited. The Nigeria Deposit Insurance Corporation (NDIC) earlier reported that Nigerians lost ₦911.45 billion to Ponzi schemes between 1999 and 2022, demonstrating the systemic nature of the problem (SEC, 2024).

In response to such vulnerabilities, President Bola Ahmed Tinubu signed the Investments and Securities Act (ISA) 2025, which significantly strengthens the SEC's powers. The Act restores the Commission's authority over mergers and takeovers, enables direct intervention in the management of erring capital-market operators, and permits administrative penalties without court rulings. Importantly, ISA 2025 brings virtual and

digital asset activities under SEC oversight and introduces stricter punitive measures – including up to 10 years’ imprisonment and a ₦40 million fine – for operators of Ponzi schemes. Had these provisions been operative earlier, CBEX’s activities – such as its use of cryptocurrencies to evade scrutiny – could have been curtailed more swiftly (ISA, 2025).

Overall, the CBEX episode underscores enduring structural weaknesses: weak regulatory enforcement, rising economic precarity, aggressive online fraud strategies, and widespread financial illiteracy. Addressing these challenges requires strengthened regulatory capacity, broad-based financial education, and sustained economic reforms to reduce citizens' susceptibility to fraudulent high-yield schemes.

CBEX Trading Platform from an Islamic Economic Lens

The proliferation of digital trading platforms in Nigeria, particularly those associated with cryptocurrency and binary options, has introduced new dynamics into the country's financial landscape. Among these platforms, CBEX emerged as a prominent actor, attracting widespread participation through promises of quick returns on investment, ease of access and referral-based growth. However, the platform's sudden crash in 2024 and the ensuing financial losses suffered by its users have raised critical questions regarding its legitimacy and ethical foundation. This article evaluates the CBEX phenomenon through the normative framework of Islamic economics, which offers both a critique of exploitative financial practices and a moral compass for ethical engagement in economic activities. (Securities and Exchange Commission Nigeria [SEC Nigeria], 2024).

Islamic economic theory is underpinned by principles such as *‘adl* (justice), *amānah* (trust), *sharīkah* (partnership), and the prohibition of *riba* (usury), *gharar* (excessive uncertainty), and *maysir* (gambling). Financial transactions are required to promote transparency, fairness, and linkage to real economic activity (Chapra, 2000). From this standpoint, the operational model of CBEX raises serious ethical and legal concerns.

First, the platform’s business model lacked transparency. Users were promised fixed returns on their investments without a clear explanation of the underlying trading mechanisms or risk structures. Such opacity is emblematic of *gharar*, which is expressly forbidden in Islamic commercial jurisprudence due to the uncertainty and potential for injustice it introduces into contractual relations (Kareem and Bello, 2013).

Second, the platform’s profitability depended heavily on speculative cryptocurrency trading, which, without asset-backing or risk-sharing mechanisms, closely aligns with *maysir* – a form of gambling prohibited in Islamic finance. Such investments, driven by the hope of gain without genuine capital risk or productive contribution, are ethically objectionable. Moreover, schemes that promise high returns with minimal risk, while merely redistributing funds from new to earlier investors, reflect the structure of Ponzi schemes – fraudulent and illegal by nature. Raising awareness within the Islamic community is essential to prevent future occurrences. Individuals who suspect they are involved in such schemes should be encouraged to report them to the appropriate authorities promptly, thereby safeguarding others and potentially enabling legal recovery of lost funds (Krisnawati, 2017).

Third, CBEX’s structure exhibited clear characteristics of a Ponzi scheme, most notably its dependence on referral bonuses to drive membership growth. Users were rewarded for recruiting others, creating a pyramid-like model that is both economically unsustainable and ethically deceptive (*tadlīs*). This violates Islamic principles of fairness and honesty in

business, as the scheme does not generate real profit but merely redistributes funds from new participants to earlier ones. Rather than relying on legitimate business activities, it survives by using incoming investments to pay earlier investors, inevitably collapsing when new contributions can no longer cover promised returns (Alfinuri and Sauri, 2022). Furthermore, the absence of any form of Shariah advisory or compliance oversight in CBEX's operations signals a fundamental disregard for Islamic ethical standards. In established Islamic financial institutions, Shariah boards serve as custodians of religious compliance, ensuring that the design and implementation of financial products conform to Islamic legal and moral norms (Syarif, 2019).

Finally, the collapse of the platform and the inaccessibility of invested funds point to a violation of the principle of *amānah*. Trust, accountability and transparency are central to the Islamic conception of economic responsibility. The failure of CBEX to uphold these values reflects a broader crisis of trust in unregulated digital financial schemes.

Conclusion

The increasing integration of digital currency into contemporary economic practice represents both an opportunity and a challenge for individuals, institutions, and regulators worldwide. While digital currencies offer remarkable potential for enhancing financial inclusion, transaction efficiency, and innovative financial products, they also open the door to complex ethical, legal, and systemic risks, especially in regions with weak regulatory oversight and low financial literacy. The Nigerian experience with Ponzi schemes, exemplified by the collapse of CBEX, reveals the vulnerabilities that can emerge when speculative financial platforms exploit public enthusiasm for digital assets without adequate safeguards. These incidents not only cause significant financial losses but also erode public trust in legitimate financial systems and underscore the urgent need for effective regulation, public education, and ethical financial practices. From an Islamic economic perspective, the CBEX saga violates several foundational principles, including the prohibition of *gharar* (excessive uncertainty), *maysir* (speculative risk), and *tadlis* (fraudulent misrepresentation). The lack of transparency, reliance on referral bonuses, and absence of asset backing make such schemes antithetical to Islamic financial ethics. This case highlights the pressing need to develop Shariah-compliant digital finance alternatives that uphold the values of *'adl* (justice), *amānah* (trust), and mutual benefit. In response to these developments, there is a growing imperative for scholars, policymakers, and financial institutions to collaborate on frameworks that harness the benefits of digital currencies while safeguarding economic justice and social wellbeing. This includes creating Islamic fintech solutions that are both innovative and grounded in ethical principles, enhancing public awareness of financial risks, and enforcing regulatory mechanisms to detect and prevent fraudulent schemes. Furthermore, regulatory authorities should establish mandatory licensing, real-time monitoring systems, and stricter disclosure requirements for digital investment platforms to ensure transparency and accountability. In addition, universities, religious institutions, and community organizations should integrate structured financial literacy and digital risk awareness programs into their educational curricula to equip citizens – particularly youth – with the knowledge needed to identify and avoid fraudulent schemes. As digital finance continues

to evolve, the lessons from Nigeria's CBEX case serve as a timely reminder that technological advancement must be accompanied by moral responsibility, legal clarity, and a commitment to economic integrity. Only through this balanced approach can digital currency serve as a true instrument of empowerment rather than exploitation.

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Data Availability Statement

The data that support the findings of this study are available from the corresponding author upon reasonable request.

Conflicts of Interest

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

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