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PRIVATE REGULATION MEETS ISLAMIC COMMERCIAL LAW: HOW SHOPEE'S GUARANTEE AND RETURN SYSTEMS REALLOCATE ḌAMĀN ACROSS BUYERS, SELLERS, AND PLATFORMS

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ABSTRACT

Digital marketplaces increasingly function as private regulators, shaping consumer protection and reallocating transactional risks beyond state-based legal frameworks. This study examines how Shopee's guarantee and return systems operate as a form of private regulation and how they reconfigure the Islamic commercial law concept of *ḍamān* (liability/guarantee) across buyers, sellers, and the platform. Drawing on Islamic contract theory—particularly *ḍamān al-ʿayb* (liability for defects), *ḍamān al-itlāf* (liability for damage), and *khiyār* mechanisms—this research develops a conceptual mapping between classical liability allocation and contemporary platform-based dispute resolution. Using a comparative document analysis of Shopee's buyer protection, return–refund, and dispute policies in Indonesia, Malaysia, and Singapore, the study codes policy provisions into measurable dimensions: risk-transfer timing, burden of proof, cost allocation, eligibility scope, and dispute outcomes. The findings highlight that Shopee institutionalizes a hybrid liability regime: it preserves core Islamic principles of fairness and compensation for defects/damage while simultaneously centralizing enforcement through escrow and algorithmically mediated dispute processes. Importantly, cross-country differences emerge in the operationalization of return logistics, claim requirements, and anti-abuse controls—indicating that platform governance adapts *ḍamān* allocation to local infrastructural and behavioural conditions. This study contributes by (1) reframing marketplace guarantees as private regulation, (2) advancing Islamic commercial law scholarship through an empirically grounded *ḍamān* mapping framework, and (3) offering policy implications for consumer protection and Shariah-aligned digital commerce in Southeast Asia.

Keyword: *Ḍamān (Islamic liability), Shopee Guarantee, Return and refund policy, Private regulation, Islamic commercial law*

INTRODUCTION

Digital markets have grown exponentially, and they are now private governance actors with substantial regulatory authority as transactional intermediaries. In Southeast Asia, e-commerce platforms are not just platforms for transactions, they also set the rules of those transactions, supervise the going-by-the-rules side, establish what constitutes evidence, and resolves disputes using an algorithmic system within the platform. This shift is clearly seen in the rise of Shopee as Southeast Asia's top marketplace platform, particularly in Indonesia, Malaysia and Singapore, which are key drivers of the regional digital economy (Google et al., 2023). A formal state litigation process does not effectively decide these issues of refunds, returns, and consumer protection - it is increasingly decided by platform policies.

This is part of a trend in transitioning from state-centred regulation to platform-centred private regulation. Private Regulation Theory holds that non-governmental entities may be able to undertake regulatory activities, such as rulemaking, monitoring, and enforcement, outside of the formal regulatory processes of the state legal system (Black, 2001; Ogus, 1994). In the digital economy, modern markets play a role of rulemaking, monitoring, enforcement and dispute resolution using technological mechanisms like escrow system, automated verification, mediation through the platform (Gunningham & Rees, 1997). For instance, Shopee might employ escrow systems to delay payments, conduct algorithm-based claim assessments, and make payments without judicial review. As a result, digital marketplaces are becoming quasi-regulatory institutions, directly regulating economic behaviour via digital system design.

Platform governance is an additional development of private regulation theory into the digital domain. This is referred to as platform constitutionalism by Cofone (2021), who argues that platforms create their own set of rules and norms via Terms of Service and technological design. In marketplace settings, this regulatory authority is exercised in two ways: algorithmic enforcement and escrow governance. It is exercised in two ways: algorithmic enforcement and escrow governance. Amazon, Alibaba, and eBay are examples of platforms which have become quasi-regulatory bodies that are privatising consumer dispute resolution and consumer protections (Nikkanen, 2019). Similarly, Shopee has characteristics, but it is a business that is in the Southeast Asian context where most markets are Muslim markets, and there are diverse national regulations.

The shift in platform governance is especially important in Muslim-majority countries like Indonesia and Malaysia, where commerce is regulated, in addition to national consumer protection laws, by Islamic commercial law (*fiqh al-muʾāmalāt*). The legal obligation to compensate for loss, damage, defect of the product or any failure to fulfill contractual obligations is one of the key concepts in Islamic commercial law ((al-Kasānī, 2003; Ibn Qudama, 2004). This doctrine has been based on the principle of *al-kharāj bi-l-ḍamān* which is related to the economic benefit and the lawful responsibility (Mujibatun & Anshori, 2021).

In classical fiqh, the concepts of *ḍamān al-ʿayb* (liability for hidden defects), *ḍamān al-itlāf* (liability for damage or destruction), and *khiyār* (option for buyer and seller to continue contract) continue to be relevant in the digital world of commerce (Harun, 2020). The *Khiyār al-ʾayb* is a right given to the buyer to cancel the contract or to claim compensation if defects were present before the deal. However, *khiyār al-ruʾyah* gains significance in e-commerce due to the lack of physical examination of the goods (Bagheri & Hassan, 2012). In its classical form, the concept of liability allocation is based on the relationship between two parties: a buyer and a seller.

The digital marketplaces, however, disrupt this by adding the platform as the third party that controls payments, risk sharing and the dispute resolution process. The platform is no longer a neutral party but is instead a regulatory party whose decisions on "when" to transfer the risk, "who" must carry the burden of proof, "who" pays for the returning costs, and the type of compensation if any, determine the rights and responsibilities of users (Shopee Indonesia, 2024; Shopee Malaysia, 2024; Shopee Singapore, 2024). This condition highlights the reconfiguration of the allocation of *ḍamān* in the modern transactions of commerce.

Numerous research gaps have been identified in this area, though the connection between e-commerce and Islamic commercial law has started to attract increasing scholarly focus. In first, most of the studies on the nature of digital transactions under Islamic commercial law still place the transaction within a bilateral relation between the buyer and the seller, without considering the platform as an independent regulatory entity. The discussion of *khiyār* and defective goods liability has typically cantered on the validity of the contract and rights of the buyer, with very little focus on the role of platforms in determining liability distribution (Bagheri & Hassan, 2012; Hafid et al., 2024; Mustofa & Fathurrahman, 2022).

Secondly, research on private regulation and platform governance does not often relate to Islamic commercial law. The concept of private regulation in the form of private governance mechanisms has been addressed in the private regulation literature for a long time (Black, 2001; Gunningham & Rees, 1997), and platform governance studies explore the digital marketplaces as quasi-regulatory institutions (Nikkanen, 2019). However, few studies have examined how such governance mechanisms interact with Shariah principles in Muslim-majority markets.

Thirdly, the comparative study of Shopee's policies in the Southeast Asian region is still very limited. Existing research tends to focus on consumer protection measures in e-commerce in the local context of Shopee or on the concept of Islamic business ethics in general terms without making any comparisons among the governance mechanisms in different jurisdictions (Badarudin et al., 2022; Nugraheni & Suraji, 2024). However, the platform governance design may be affected by the difference in the regulatory framework is between Indonesia and Malaysia, namely Government Regulation No. 80 of 2019 concerning Electronic Commerce (PP PMSE) and the Consumer Protection (Electronic Trade Transactions) Regulations 2024 (CPETTR 2024).

In this context, this study sets out to explore the operations of the guarantee and return systems in Shopee as an example of private regulation and the redistribution of *ḍamān* by the guarantee and return systems between the buyer, the seller, and the platform. The study addresses three main research questions: (1) How are the buyer protection and buyer dispute resolution policies of Shopee implemented as a private regulatory mechanism in Indonesia, Malaysia and Singapore? (2) How do the concepts of *ḍamān*, especially *ḍamān al-ʿayb, ḍamān al-itlāf* and the doctrine of *khiyār,* get reconfigured in the context of the policies? (3) How do the differences in policies across countries mirror adaptation to the local regulatory landscape, infrastructure, and consumer behaviours?

METHOD

This research adopts a qualitative comparative document analysis methodology to analyse the redistribution of *ḍamān* in digital marketplace transactions through Shopee's governance mechanisms. The research investigates platform policy documents as a key normative instrument to control buyer's protection, return process, refund systems and dispute resolution. The study explores the construction and operationalisation of liability structures not through statistical measurement, but through platform governance arrangements, and the interaction between these and principles of Islamic commercial law (Bagheri & Hassan, 2012; Black, 2001).

In this study, a socio-legal and comparative approach is adopted, which is a blend of the theories of private regulation and the doctrines of *fiqh al-muʾāmalāt.* This approach sees law as being between state law, platform law and Islamic law of commerce (Ogus, 1994). Under this context, Shopee is understood as a digital regulatory actor that exercises functions of rule-setting, monitoring, enforcement and adjudicating of disputes through technologies and platform-based governance. Under this conceptualization, Shopee is seen as the digital regulatory actor who exercises the function of the rule-setting, monitoring, enforcement, and adjudicating disputes through technology and platform-based governance (Gunningham & Rees, 1997).

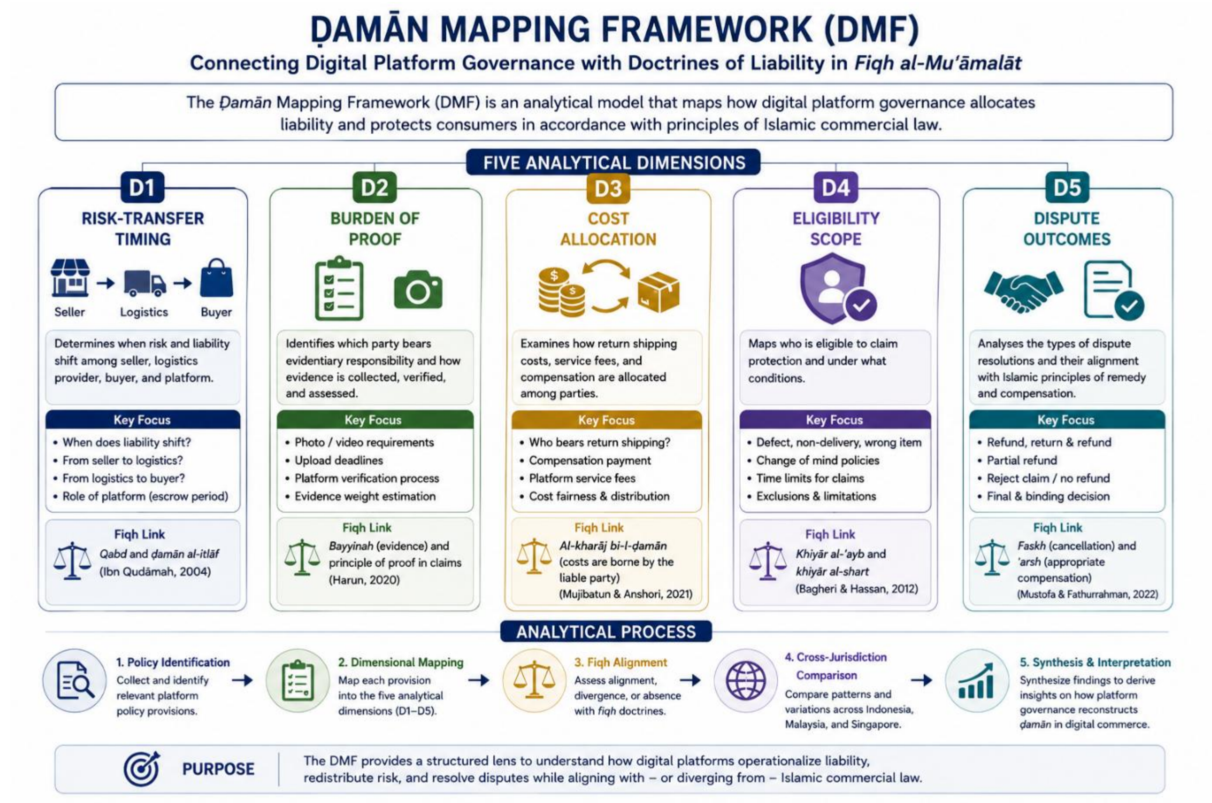
The comparative design is based on Most-Similar Systems Design (MSSD) which uses the case studies of Indonesia, Malaysia, and Singapore. These jurisdictions were chosen due to their use of the same marketplace platform, which are different about consumer protection regulation, logistics infrastructure and digital consumer behaviour. The design allows the study to determine the difference in liability allocation that occurs in different national contexts as the result of the use of relatively similar platform architectures (Ramdhan & Suhendra, 2023).

The data gathered from the Shopee Policy documents in the Help Centre and Seller Centre platforms in Indonesia, Malaysia and Singapore from January to April 2025 are referred to as primary data. The following documents have been analysed: (1) Shopee Guarantee/Buyer Protection Policy; (2) Return and Refund Policy; and (3) Dispute Resolution Framework.

Secondary materials consist of national regulations, classical *fiqh* literature on the issues of *ḍamān* and *khiyār,* and the latest scholarship on issues in Islamic e-commerce, platform governance, and consumer protection in the digital realm. The classical sources are mostly those al-Kasānī (2003) and Ibn Qudama (2004) while the modern sources are those of Hafid et al. (2024), Harun (2020), Mujibatun & Anshori (2021) and Mustofa & Fathurrahman (2022).

This study builds an analytical model called the *Ḍamān* Mapping Framework (DMF), which aims to link digital platform governance with doctrines of liability in *fiqh al-mu'āmalāt,* to analyse the data. As illustrated in Figure 1. *Ḍamān* Mapping Framework (DMF), the framework consists of five analytical dimensions: D1 Risk-Transfer Timing, D2 Burden of Proof, D3 Cost Allocation, D4 Eligibility Scope, and D5 Dispute Outcomes. These dimensions are explored to understand how Shopee shares transactional risk, sets out evidentiary benchmarks, apportion return and compensation burdens, defines who can access consumer protection, and outlines the shape of remedy in the case of disputes in Indonesia, Malaysia and Singapore.

Figure 1. *Daman* Mapping Framework



The analysis was carried out in four phases: document inventory and classification, dimensional mapping with the DMF, cross-country comparison and pattern synthesis. The results were then analysed based on theoretical frameworks of private regulation and Islamic commercial law (Black, 2001; Nikkanen, 2019). Triangulation was used to increase validity of the findings of the analysis, in which classical and contemporary Islamic legal scholarships were compared with multiple sources of Shopee policies.

RESULTS

This section presents the findings of the comparative document analysis of Shopee Guarantee, Return and Refund Policy, and Dispute Resolution Framework across Indonesia, Malaysia, and Singapore based on the five dimensions of the *Ḍamān Mapping Framework* (DMF). The analysis was conducted descriptively and comparatively to identify patterns of liability distribution, evidentiary allocation, cost allocation, consumer protection scope, and dispute settlement mechanisms within Shopee's platform governance structure. Findings were categorised into three principal typologies: *Aligned* (consistent with dominant fiqh principles), *Divergent* (departing from classical fiqh principles), and *Unaddressed* (not explicitly regulated within platform policies).

Overview of Shopee Governance Architecture

Across all three jurisdictions, Shopee applies a governance architecture consisting of three principal instruments: (1) *Buyer Protection/Shopee Guarantee*, (2) *Return and Refund Policy*, and (3) *Dispute Resolution Framework*. These instruments collectively form a private regulatory regime governing risk distribution, consumer protection, and internal dispute settlement mechanisms.

Overall, all jurisdictions employ a similar governance logic characterised by escrow systems, a three-day post-delivery protection period, and a three-stage dispute process. Nevertheless, substantive policy content varies according to national regulation, logistics infrastructure, and local consumer behaviour patterns (Shopee Indonesia, 2024; Shopee Malaysia, 2024; Shopee Singapore, 2024).

Table 1. Shopee Governance Policy Architecture: Cross-Country Overview

Policy Domain	Indonesia	Malaysia	Singapore
Buyer Protection / Shopee Guarantee	Protection against non-receipt and INAD; escrow released after buyer confirmation or three days post-delivery	Similar protection + Change of Mind (CoM) policy introduced in 2024	Similar protection with stricter evidentiary requirements
Return & Refund	Returns for defective goods, wrong items, and INAD	Same categories + CoM return	No universal CoM return
Dispute Resolution	Negotiation → Shopee mediation → final platform decision	Same structure + KPDN escalation pathway	Same structure + CPFTA-based external review

Note. INAD = *Item Not As Described*; CoM = *Change of Mind*; KPDN = *Kementerian Perdagangan Dalam Negeri* Malaysia; CPFTA = *Consumer Protection (Fair Trading) Act*.
Sources: Shopee Indonesia (2024); Shopee Malaysia (2024); Shopee Singapore (2024).

Initial findings indicate that Malaysia possesses the broadest governance architecture due to the inclusion of CoM returns and post-CPETTR 2024 regulatory escalation pathways. In contrast, Singapore demonstrates the strictest evidentiary standards, while Indonesia occupies a moderate position with relatively strong consumer-oriented protections.

D1 Risk-Transfer Timing

The first dimension analyses the point at which risk is transferred among sellers, logistics providers, buyers, and the platform. In Indonesia, risk is transferred to the buyer once the buyer confirms receipt of goods or after the expiration of the three-day protection period. Malaysia adopts a similar mechanism, although CoM returns may reactivate the escrow cycle when buyers return products. Singapore applies a comparable structure but imposes stricter evidentiary requirements to reopen disputes after delivery confirmation.

Table 2. D1 Risk-Transfer Timing

Indicator	Indonesia	Malaysia	Singapore
Seller → courier transfer	After logistics scan	After logistics scan	After logistics scan
Courier → buyer transfer	After buyer confirmation / expiry	Same + reset under CoM return	Same with stricter evidentiary reopening
Escrow release	Buyer confirmation or three days	Same + CoM reset	Same
Alignment with *qabd*	Aligned	Aligned	Aligned

Sources: Shopee Indonesia (2024); Shopee Malaysia (2024); Shopee Singapore (2024).

Overall, the three jurisdictions display a high degree of convergence because all employ escrow as the principal mechanism governing risk transfer.

D2 Burden of Proof

The second dimension concerns the allocation of evidentiary responsibility in disputes. In Indonesia, buyers are required to upload photos or videos of defective goods, although documentation standards remain relatively flexible. Malaysia adds original packaging photo requirements for CoM returns and incorporates anti-abuse mechanisms for sellers. Singapore imposes the most detailed evidentiary standards, including timestamped unboxing video recommendations.

Table 3. D2 Burden of Proof

Indicator	Indonesia	Malaysia	Singapore
Buyer evidence	Photo/video	Photo/video + original packaging	Photo + video + timestamp
Seller evidence	Optional	Strongly encouraged	Mandatory for high-value items
Verification system	Algorithmic review	Algorithmic + anti-fraud review	Algorithmic + audit trail
Alignment with *bayyinah*	Aligned	Aligned	Strongest alignment

Sources: Shopee Indonesia (2024); Shopee Malaysia (2024); Shopee Singapore (2024).

Findings indicate an increasing level of evidentiary sophistication from Indonesia to Singapore. All jurisdictions preserve the principle that buyers, as claimants, bear the initial burden of proof.

D3 Cost Allocation

The third dimension examines the distribution of return costs and compensation obligations. In Indonesia, sellers bear return costs when defects or transactional errors originate from the seller, while Shopee frequently subsidises logistics costs. Malaysia adopts a similar structure but adds the *Seller Shipping Fee Saver* programme to assist return logistics expenses. Singapore applies the most limited platform subsidy structure.

Table 4. D3 Cost Allocation

Indicator	Indonesia	Malaysia	Singapore
Seller-fault return cost	Seller bears cost	Seller bears cost	Seller bears cost
CoM return cost	Not universal	Buyer bears cost	Not available
Platform subsidy	High	Moderate	Minimal
Alignment with *al-kharāj bi-l-ḍamān*	Aligned	Aligned	Aligned

Sources: Shopee Indonesia (2024); Shopee Malaysia (2024); Shopee Singapore (2024).

All three jurisdictions demonstrate substantial consistency with the principle of *al-kharāj bi-l-ḍamān*, whereby the party deemed responsible also bears the costs of remedial transactions.

D4 Eligibility Scope

The fourth dimension evaluates the categories of consumer protection and claim eligibility requirements. Indonesia provides protection against defective goods, wrong items, and INAD claims. Malaysia possesses the broadest protection scope by introducing CoM returns for up to fourteen days. Singapore applies the strictest claim period, limiting complaints to three days without extension mechanisms.

Table 5. D4 Eligibility Scope

Indicator	Indonesia	Malaysia	Singapore
Protected conditions	Defect, wrong item, INAD	Same + CoM	Defect, wrong item, INAD
Claim window	Three days (extendable)	Three days + fourteen-day CoM	Three days
Anti-abuse controls	Monitoring	Strong anti-abuse measures	Strict evidentiary standards
Alignment with *khiyār*	Aligned	Strongest alignment	Partially divergent

Sources: Shopee Indonesia (2024); Shopee Malaysia (2024); Shopee Singapore (2024).

Malaysia demonstrates the strongest alignment with *khiyār al-sharṭ* due to the inclusion of CoM return policies. By contrast, Singapore exhibits the most restrictive protection scope.

D5 Dispute Outcomes

The fifth-dimension analyses forms of dispute settlement outcomes. All jurisdictions provide four principal outcomes: *full refund*, *partial refund*, *return-and-refund*, and claim rejection. Malaysia demonstrates the broadest typology because it includes CoM return pathways. Singapore provides external review mechanisms under the CPFTA framework, whereas Indonesia lacks formal external review mechanisms within platform policy.

Table 6. D5 Dispute Outcomes

Indicator	Indonesia	Malaysia	Singapore
Full refund	Available	Available	Available
Partial refund	Available	Available	Available

Indicator	Indonesia	Malaysia	Singapore
External review	Not available	KPDN pathway	CPFTA review
Alignment with *faskh/ʿarsh*	Aligned	Aligned	Aligned

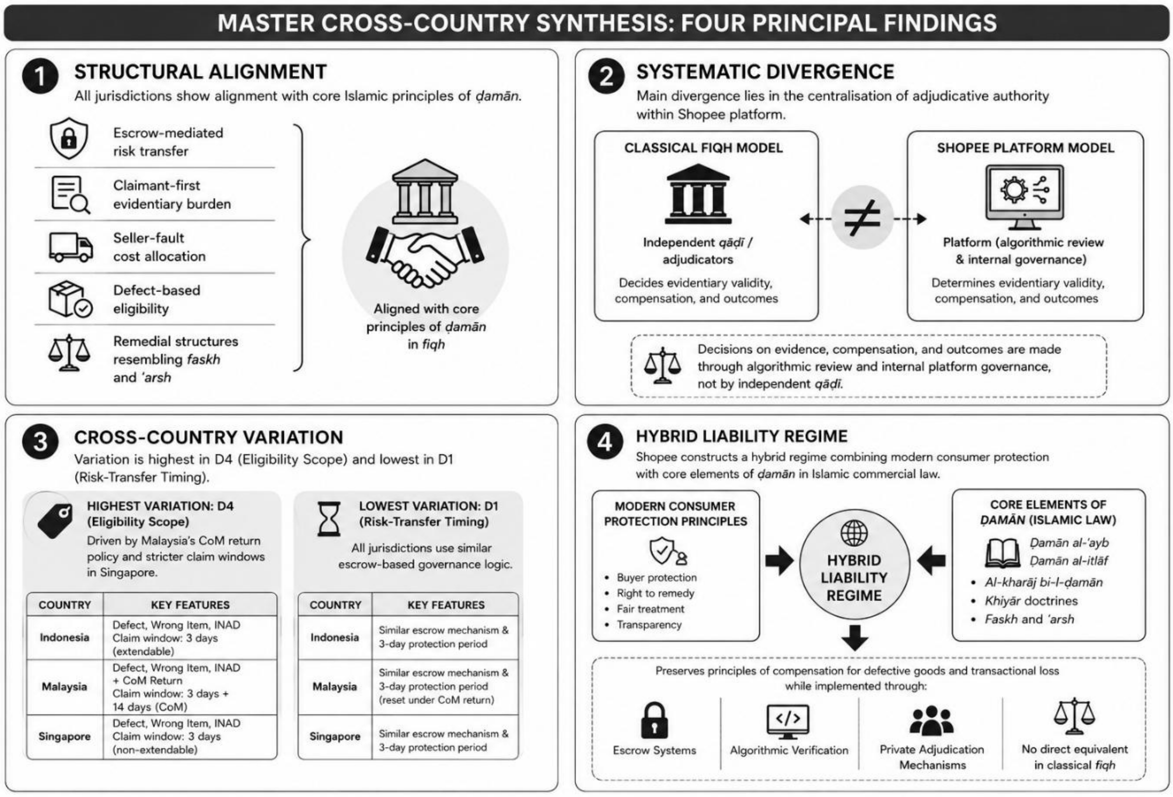
Sources: Shopee Indonesia (2024); Shopee Malaysia (2024); Shopee Singapore (2024).

All policies demonstrate structural consistency with the concepts of *faskh* and *ʿarsh*, although compensation amounts remain determined internally by the platform.

Master Cross-Country Synthesis

As illustrated in **Figure 2**, the cross-country comparison reveals four principal findings regarding the reconfiguration of *ḍamān* within Shopee's platform governance architecture.

Figure 2. Master Cross-Country Synthesis



First, all jurisdictions demonstrate structural alignment with core Islamic principles of *ḍamān*, particularly in relation to escrow-mediated risk transfer, claimant-first evidentiary burden, seller-fault cost allocation, defect-based eligibility, and remedial mechanisms resembling *faskh* and *ʿarsh*.

Second, the study identifies a significant systematic divergence from classical *fiqh* doctrine. Unlike the classical model in which disputes are resolved by independent *qāḍī* or adjudicators, Shopee centralises adjudicative authority through algorithmic review and internal platform governance.

Third, notable cross-country variation appears in D4 (*Eligibility Scope*), especially due to Malaysia's *Change of Mind* (CoM) return policy and Singapore's stricter claim limitations. By contrast, the lowest variation occurs in D1 (*Risk-Transfer Timing*), as all jurisdictions apply similar escrow-based governance mechanisms.

Finally, the findings indicate the emergence of a hybrid liability regime that combines modern consumer protection principles with core concepts of *ḍamān* in Islamic commercial law. As shown in Figure X, Shopee preserves fundamental principles of compensation for defective goods and transactional loss while operationalising them through escrow systems, algorithmic verification, and private adjudication mechanisms that possess no direct equivalent in classical fiqh.

DISCUSSION

The results reveal that Shopee is no longer just a platform where buyers and sellers meet, but it has now become a private law enforcement institution that regulates the handling of risks, the setting of standards, compensation, and dispute resolution in digital transactions. The hybrid liability regime created by Shopee is formed by algorithmic verification and internal adjudication systems, and the Muslim concept of the *ḍamān of fiqh al-muʾāmalāt.* The results confirm the idea that the platforms of the present day have evolved into a platform governance that has regulatory aspects through the technology architecture and infrastructural management (Black, 2001; Cofone, 2021).

Shopee and the Transformation of *Ḍamān al-ʿAqd*

In *fiqh al-muʾʾāmalāt*, *ḍamān al-ʾaqd* is the responsibility related to contracts between different parties (al-Kasānī, 2003). Classical sale contracts: Liability is the sellers till the lawful possession (*qabd*) is given to the buyer. After completion of *qabd*, the risk moves to the buyer, and the seller will be no longer responsible for future damage.

The findings show however that Shopee is changing this traditional architecture with the use of an escrow system. The transaction funds stay within the platform until the buyer confirms receipt of the funds or until the protection period expires. Thus, the transfer of liability no longer occurs based on the material possession of the goods, but on the web transactional status, controlled by the platform itself. This means that Shopee assumes, to some degree, that of a *ḍāmin* (guarantor) in commerce.

According to classical *fiqh,* guarantee contracts (*kafālah* or *ḍamān*) are personal and voluntary. In contrast, digital marketplaces make the guarantee function automatic based on technological systems which are applied at a uniform level to all users. Shopee Guarantee is a feature that serves as the platform's transactional controller while temporarily guaranteeing the transactional security. This is indicative of the structural changes in the liability system from bilateral to "platform" contractual liability in the case of *ḍamān al-ʿaqd.*

These results build on earlier research on platform constitutionalism, which has suggested that Terms of Service and system architecture, as mechanisms of establishing platform norms, are the ways by which digital platforms create their own constitutional arrangement (Cofone, 2021). In Muslim markets, this type of governance does not only have technological aspects, but also normative aspects related to justice and responsibility in Islamic commercial law.

Escrow Governance and *Ḍamān al-Itlāf*

In terms of risk transferring timing, the study shows that Shopee upholds the responsibility of sellers and platforms towards the goods in transit. In *fiqh al-muʾāmalāt*, this is known as *ḍamān al-itlāf* (liability for destruction, loss or damage prior to completion of ownership transfer) (Ibn Qudama, 2004).

According to classical *fiqh*, if the damage occurs before the completion of the transaction, then the liability is on the seller. The results show that Shopee is in essence adhering to this principle. The seller or logistics service provider of the platform is responsible for the goods that are not received or lost or have been damaged during the Shopee Guarantee period.

However, Shopee expands the doctrine with the help of escrow and digitally connected logistics systems. Not only does the platform enable payment, but it also actively manages the process of the payment completed via shipping information and through digital confirmation networks. As such, escrow is a mechanism for risk containment like the protective role that is inherent in the doctrine of *ḍamān.*

The results align with the recent developments in digital regulation, which also place consumer protection in the digital trade governance centrepiece (IFSB, 2021). Shopee can therefore be interpreted as an institution that combines the logic of consumers' rights with the concepts of liability based on *fiqh al-muʾāmalāt.*

Algorithmic *Bayyinah* and Evidentiary Liability

The results from the burden of proof section revealed that the burden of proof in the dispute resolution was mainly based on digital evidence presented by Shopee, such as unboxing videos, product photos, timestamps and logistics audit trails. In Islamic law, this relates directly to the principle: *al-bayyinah ʿalā al-muddaʿī* (The burden of proof lies upon the claimant).

The classical *fiqh* made use of the following mechanisms: witness testifying (*shahādah*), confession (*iqrār*), and circumstantial evidence (*qarīnah*). These mechanisms are transformed by digital marketplaces into what we call algorithmic *bayyinah*, facts established digitally, using algorithms on a platform.

Such a change has important consequences for the doctrine of *ḍamān*. In classical *fiqh*, the validity of evidence is judged by a *qāḍī* or a judge who is independent of the one who gave the verdict. However, in the governance structure of Shopee, it has the full authority to decide if evidence is deemed sufficient. The platform therefore serves a dual role as a regulator as well as an adjudicator in cases of digital conflicts regarding *ḍamān* being applicable.

These results add to research on private adjudication in platform governance that has found a growing trend toward digital marketplaces taking on roles that have historically been played by state institutions or formal arbitration procedures (Nikkanen, 2019). The emergence of this development poses new questions for Islamic commercial law on the legality of algorithmic adjudication and requirement of specific governance structures for digital platforms (IFSB, 2021).

Cost Allocation and *al-Kharāj bi-l-Ḍamān*

The results indicate that, in general, the cost of a return is borne by the party that is at fault on the transaction. This is part of the principle of *fiqh al-muʾāmalāt*: *al-kharāj bi-l-ḍamān*, which means that the right to economic benefit must be balanced with the responsibility of any risks and losses that may arise (Mujibatun & Anshori, 2021).

This is the principle that if the transaction is an economic gain to the seller, then the seller is responsible for the defective product or any wrongdoing in the transaction. The findings reveal Shopee's policies substantively maintain this logic. Sellers are responsible for return costs when the defect is caused by seller's fault, and buyers are responsible for return costs when it is caused by change of mind.

Shopee, however, shares the costs with free-return programmes and logistics subsidies. This suggests that Shopee considers both the principle of *al-kharāj bi-l-ḍamān* and platform-efficiency and current consumer protection methods.

The results align with current research on Islamic governance, which highlights several *Sharīʿah* elements, consumer protection, and digital governance that are integrated into modern transactions (Hasan & Abuzaid, 2021).

Khiyār Doctrine and Digital Consumer Protection

The results also show that Shopee's return and refund policies retain strong ties with the *khiyār*, as it has been discussed in detail. First, any form of protection for defective or misdescribed goods would be in line with the *khiyār al-ʾʾayb*, which is a right of the buyer to rescind contracts or claim compensation for hidden defects (Bagheri & Hassan, 2012).

Secondly, Malaysia's Change of Mind return policy resembles *khiyār al-sharṭ*: the right to cancel agreements within a designated time frame as per terms agreed on. Third, these traits of transactions made online, without visual inspection, further emphasize the importance of *khiyār al-ruʾyah*. Digital marketplaces customers check products after delivery. Thus, Shopee's return mechanisms act as a form of consumer protection measures before the contracts are finalized, which is a substantive form of consumer protection. Therefore, Shopee's return mechanisms can be interpreted as substantive consumer protection tools, which aim at overcoming the problem of informational asymmetry before the conclusion of the contract.

However, the results also show that *khiyār* rights are also embedded in the platform governance structures. Return rights are no longer determined solely by contractual freedom between parties but by administrative platform conditions such as claim deadlines, unboxing video requirements, and eligible product categories.

In this way, Shopee transcends the concept of *khiyār* and makes it a platform-based consumer right. The findings confirm the recent Islamic e-commerce literature that suggests that *fiqh* principles continue to have relevance in the context of digital trade but need to be interpreted structurally in the light of the rise of new regulatory actors, the platforms (Zulkifli & Rosele, 2022).

Partial Refund and the Revival of *ʿArsh*

The study yields one of the most significant results regarding the use of partial refund mechanisms, in Malaysia and Singapore. This is a process like *ʿarsh* in *fiqh al-muʿāmalāt*. al-Nawawi (1997) defines *ʿarsh* is a portion of the price corresponding to the loss caused by defects."

In classical *fiqh*, *ʿarsh* is granted when buyers choose to retain defective goods while receiving proportional compensation. The findings indicate that Shopee's *partial refund* mechanism operates according to nearly identical logic: buyers retain the goods while receiving compensation for defects or non-conformity.

Thus, the doctrine of *ʿarsh* is still pertinent in today's digital commerce and can be seen as a platform-based compensation system. The chief distinction is in the method used to determine. In classical f*iqh*, the value of *ʿarsh* would normally be determined using experts or judicial decisions. The compensation in Shopee's governance will be decided by the platform evaluation and algorithmic review. Digital marketplaces thus do not replace classical-legal doctrines of *fiqh* but rather re-imagine them as technologically mediated governance structures.

Hybrid Liability Regime in Digital *Muʿāmalāt*

The results show that Shopee institutionalizes a mixed liability regime, where Islamic commercial law principles are integrated into its platform-based mechanisms. Instead of replacing traditional principles of *ḍamān*, the platform reconfigures how they are conducted via escrow mechanisms, digital verification processes, and internal dispute resolution. If, as Figure 2 shows, liability allocation in digital commerce cannot just be regulated by the buyer–seller relationship, then it is mediated through platform-controlled infrastructures increasingly.

The transformation is a major change in commercial responsibility in today's *fiqh al-muʾāmalāt.* For the classical transactions, liability, proof, and compensation were largely settled by bilateral relations in the contract and adjudicated by independent authorities.

Shopee, by contrast, consolidates all these processes in a centralised way, which is done by algorithmic review and internal governance structures. This means the platform assumes regulatory and adjudicative aspects beyond those of a traditional commercial intermediary.

The study thus contends that digital marketplaces are normative governance systems that actively influence commercial behaviour and transaction responsibility. This phenomenon is significant for *Sharīʾah* governance in Muslim markets, as the rules of the platforms shape the way justice, compensation, and consumer rights are put into practice. This is because in the modern era platform-mediated liability has become a reality, which calls for a more direct interaction with questions of escrow governance, algorithmic adjudication, and digitally structured consumer protection in Islamic commercial law.

Therefore, the digital reconstruction of *ḍamān* in e-commerce is not an abandonment of the principles of classical *fiqh*, but rather a transformation of them to new environments of technology and institutions. This shows the ongoing importance of Islamic commercial law in the context of the current market transactions and the need for a more detailed legal and *Sharīʿah* framework to govern the platforms in the digital economy.

CONCLUSION

The study reveals that, beyond being a digital marketplace intermediary, Shopee has the characteristics of a private regulatory institution that actively regulates transactional risks, evidence standards, compensation mechanisms and dispute resolution in e-commerce transactions. Shopee restores the distribution of *ḍamān* among buyers, sellers, logistics providers, and the platform using either escrow or algorithmic verification or platform-based adjudication. The results indicate that Shopee's governance system significantly adheres to some of the principles in Islamic commerce, namely *ḍamān al-ʿayb, ḍamān al-itlāf, al-kharāj bi-l-ḍamān*, and the concept of *khiyār*. Concurrently, the study reveals a major structural shift: a shift from classical bilateral contracts to platform-based forms of governance.

The comparative analysis of the three marketplaces (Indonesia, Malaysia and Singapore) also reveals that Shopee puts in place a mixed liability system that reflects both modern consumer protection laws and the underlying principles of Islamic commercial law. While the logic of governance is similar in all jurisdictions, there are important differences in who is eligible for a claim, the evidence required, the conditions under which claims are returned, and the anti-abuse mechanisms. The most comprehensive consumer protection measure is the Change of Mind return policy, as seen in Malaysia, and Singapore's evidentiary and procedural rules are more stringent. The distinctions are due to differences in the regulatory landscape, logistics systems and consumer habits across the platforms. The study thus underscores the extent of regulatory pluralism in digital commerce where state regulation, platform governance, and Islamic commercial law will co-exist.

Theoretically, this research will enrich both the field of private regulation and Islamic commercial law, by presenting the *Ḍamān* Mapping Framework (DMF) as a conceptual and methodological tool to address the issue of liability allocation in digital marketplaces. The findings also reveal that the classical *fiqh* concepts are still relevant in the current digital commerce but are subject to procedural and institutional changes mediated by technological governance mechanisms. On a practical level, the study proposes that platform governance in the future should be more transparent and accountable, especially regarding algorithmic adjudication, evidentiary assessment and liability allocation. Further studies could be conducted involving empirical user experiences, interviews with platform actors, or comparative analysis of other regional platforms like Lazada, Tokopedia, and Amazon, to gain a deeper insight into the development of ḍamān in the digital economy.

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