

Islamic Fintech Contracts and Regulation in Indonesia: Online Lending, Pay Later, and Sharia Cards

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Abstract

The rapid growth of financial technology (fintech) in Indonesia has accelerated the development of Islamic digital financial products, including sharia peer-to-peer (P2P) lending, sharia pay-later services, and sharia credit cards. However, studies examining their contractual structures and regulatory frameworks from the perspective of Islamic law remain limited. This study employs a qualitative-descriptive approach based on library research. Data were collected from DSN-MUI fatwas, regulations issued by the Financial Services Authority (OJK) and Bank Indonesia, and relevant academic literature. The data were analyzed using content analysis to examine the contracts (akad) and regulatory provisions governing Islamic fintech products in Indonesia. The findings reveal that Islamic P2P lending applies qardh, wakalah, and ijarah contracts, while sharia pay-later services generally utilize murabahah and ijarah muntahiyah bi al-tamlik. Sharia credit cards are based on a combination of kafalah, qardh, and ijarah. Unlike conventional pay-later systems that involve interest-based charges, sharia schemes employ transparent profit margins to avoid riba. Although DSN-MUI fatwas provide a fundamental basis for sharia compliance, regulatory supervision and sharia governance mechanisms require further strengthening. Therefore, stronger coordination among OJK, Bank Indonesia, and DSN-MUI is necessary to ensure compliance with Islamic legal principles and the objectives of maqashid al-shariah.

Keywords: Sharia Fintech; Islamic Peer-to-Peer Lending; Sharia Credit Card; Islamic Contracts; OJK Regulation.

Abstrak

Pertumbuhan pesat teknologi finansial (fintech) di Indonesia telah mendorong perkembangan berbagai produk keuangan digital syariah, termasuk pinjaman daring syariah, layanan pay later syariah, dan kartu kredit syariah. Namun, kajian yang mengkaji struktur akad dan kerangka regulasinya dalam perspektif hukum Islam masih terbatas. Penelitian ini menggunakan pendekatan deskriptif-kualitatif berbasis studi kepustakaan. Data diperoleh dari fatwa DSN-MUI, regulasi Otoritas Jasa Keuangan (OJK) dan Bank Indonesia, serta literatur akademik yang relevan. Data dianalisis menggunakan analisis isi untuk mengkaji akad dan ketentuan regulasi yang mengatur produk fintech syariah di Indonesia. Hasil penelitian menunjukkan bahwa pinjaman daring syariah menerapkan akad qardh, wakalah, dan ijarah, sedangkan layanan pay later syariah umumnya menggunakan akad murabahah dan ijarah muntahiyah bi al-tamlik. Kartu kredit syariah didasarkan pada kombinasi akad kafalah, qardh, dan ijarah. Berbeda dengan sistem pay later konvensional yang menerapkan biaya berbasis bunga, skema syariah menggunakan margin keuntungan yang transparan untuk menghindari riba. Meskipun fatwa DSN-MUI menjadi landasan utama kepatuhan syariah, pengawasan

regulatif dan mekanisme tata kelola syariah masih perlu diperkuat. Oleh karena itu, sinergi antara OJK, Bank Indonesia, dan DSN-MUI diperlukan untuk memastikan kesesuaian produk fintech syariah dengan prinsip hukum Islam dan tujuan maqashid al-shariah.

Kata Kunci: Fintech Syariah; Pinjol Syariah; Kartu Kredit Syariah; Akad Syariah; Regulasi OJK.

Introduction

The rapid advancement of digital technology has transformed the structure, delivery, and governance of financial services across the world. Financial technology, commonly referred to as fintech, has enabled financial institutions and non-bank providers to offer faster, more accessible, and more efficient services through digital platforms. In the Islamic finance sector, this transformation has created new opportunities for expanding Shariah-compliant financial inclusion while also raising complex legal questions regarding contracts, supervision, consumer protection, and regulatory accountability (Gomber et al., 2018; Pradini et al., 2023; Rabbani et al., 2020).

Islamic fintech differs from conventional fintech not merely in its institutional branding but also in its normative foundations. Its products and services must be structured in accordance with Islamic contracts (akad) and must avoid prohibited elements such as ribā, gharar, and maysir. Therefore, Islamic fintech innovation requires a legal and Shariah governance framework that ensures contractual clarity, transparency of fees, fairness between contracting parties, and protection of users from exploitative digital financial practices (Auda, 2021; Hasan et al., 2020).

Indonesia provides an important context for examining the development of Islamic fintech because it combines a large Muslim population, a rapidly growing digital economy, and an increasingly complex financial regulatory system. The growth of Islamic online lending, Islamic pay later services, and Sharia cards reflects the increasing demand for digital financial instruments that are both commercially practical and normatively compliant with Shariah principles. At the same time, these products require careful legal scrutiny because their operational models often resemble conventional credit-based services, especially when they involve deferred payments, service fees, penalties, and platform-based financing mechanisms.

From the perspective of positive law, Indonesia has developed several regulatory instruments to govern fintech and digital financial innovation. Bank Indonesia Regulation No. 19/12/PBI/2017 provides a regulatory basis for financial technology, particularly in relation to payment systems, market support, investment management, risk management, lending, financing, capital provision, and other financial services (Bank Indonesia, 2017). Meanwhile, the Financial Services Authority (Otoritas Jasa Keuangan/OJK) issued POJK No.

13/POJK.02/2018 on Digital Financial Innovation in the Financial Services Sector and subsequently strengthened the regulation of technology-based joint funding services through POJK No. 40 of 2024 on Layanan Pendanaan Bersama Berbasis Teknologi Informasi (OJK, 2024).

The regulatory landscape has also evolved in response to the rapid expansion of buy now, pay later (BNPL) services. In 2025, OJK issued POJK No. 32 of 2025 on the Implementation of Buy Now Pay Later Services, which specifically regulates BNPL practices conducted by commercial banks and financing companies, including services that may be operated based on Shariah principles. This regulatory development is significant because pay later services were previously discussed largely through general consumer financing, fintech, and Shariah contract principles, whereas the emergence of a specific BNPL regulation provides a clearer legal basis for assessing the position of Islamic pay later services in Indonesia (Otoritas Jasa Keuangan, 2025).

In addition to state regulation, Islamic fintech in Indonesia is also shaped by Shariah norms issued by the National Sharia Council of the Indonesian Ulema Council (Dewan Syariah Nasional–Majelis Ulama Indonesia/DSN-MUI). Fatwa No. 117/DSN-MUI/II/2018 provides normative guidance for information technology-based financing services based on Shariah principles, while Fatwa No. 54/DSN-MUI/X/2006 regulates Sharia cards as payment instruments structured through contracts such as kafālah, qarḍ, and ijārah. These fatwas demonstrate that Islamic fintech governance in Indonesia is constructed through the interaction between state regulation and non-state Shariah authority, making Indonesia a distinctive case for studying the legal architecture of Islamic digital finance (DSN-MUI, 2006; DSN-MUI, 2018).

Previous studies have examined Islamic online lending, pay later services, and Sharia cards from various perspectives. Fitriyani et al. (2022) and Ubaidillah (2023), for instance, analyze Shopee PayLater from the perspective of Islamic law, especially in relation to qarḍ and the prohibition of ribā. Thoha (2022) and Taufik et al. (2024) discuss online lending in relation to Islamic economic law and positive law, while Sumarlin et al. (2024) examine the contractual innovation of Sharia credit cards. These studies contribute significantly to the literature, but most of them still examine each product separately and do not integrate the analysis of Islamic contracts, DSN-MUI fatwas, OJK regulations, Bank Indonesia regulations, and recent BNPL regulatory developments within a single analytical framework.

This fragmented tendency in previous research creates an important academic gap. Islamic online lending, Islamic pay later services, and Sharia cards are often treated as separate

financial products, even though they share common legal issues related to deferred payment, service fees, guarantee mechanisms, consumer protection, and Shariah compliance. A more integrated analysis is therefore needed to understand how these three instruments are constructed through Islamic contracts and how they are regulated within Indonesia's evolving digital financial legal framework.

Although this article focuses primarily on Indonesia, a limited contextual reference to Sudan is useful for highlighting the broader relevance of Islamic fintech regulation in Muslim-majority jurisdictions. Unlike Indonesia, which has an integrated financial supervisory authority through OJK, Sudan's financial regulatory structure is more sectoral: the Central Bank of Sudan is a key authority for banking, payment-system regulation, electronic transaction-related legal references, and licensed fintech/payment companies, while the Financial Markets Authority supervises the capital market sector (Central Bank of Sudan, 2026). Sudan has also witnessed the emergence of digital marketplace and payment ecosystems, particularly *Alsoug* and *Cashi*; however, the available sources indicate that these platforms are more closely associated with marketplace activity, digital payments, and merchant-based financial access than with an integrated marketplace-based Islamic pay later service comparable to Indonesia's developing BNPL model (Cashi, 2026; International Finance Corporation, 2026; Wamda, 2021).

The limited reference to Sudan does not change the object of this study, which remains focused on Indonesia. Rather, it functions as a contextual comparison to show that Muslim-majority countries may develop different institutional models for supervising Islamic digital finance. Indonesia's experience is particularly relevant because it combines financial regulation, central bank policy, DSN-MUI fatwas, and Shariah governance mechanisms within a relatively integrated legal ecosystem, whereas Sudan illustrates a more dispersed institutional framework for financial supervision and digital economic development.

Based on this background, the novelty of this article lies in its integrated legal analysis of Islamic online lending, Islamic pay later services, and Sharia cards as three interconnected instruments of Islamic fintech in Indonesia. Unlike previous studies that tend to focus on a single product or a single contractual issue, this article examines the relationship between Islamic contracts, Shariah compliance, OJK regulation, Bank Indonesia policy, DSN-MUI fatwas, and recent regulatory updates concerning LPBBTI and BNPL. This article also adds a limited Sudanese contextual reference to strengthen the international relevance of the discussion without transforming the study into a full comparative legal analysis.

This article aims to analyze the contractual structures and regulatory framework of Islamic fintech in Indonesia, with particular reference to Islamic online lending, Islamic pay later services, and Sharia cards. This objective is important because the legal validity of Islamic fintech products depends not only on their technological efficiency but also on their compliance with Shariah principles, positive law, and consumer protection standards. By using the framework of *fiqh al-mu'āmalāt* and *maqāṣid al-sharī'ah*, this article argues that Islamic fintech regulation must ensure the protection of wealth (*ḥifẓ al-māl*), contractual justice, transparency, and the prevention of *ribā*, *gharar*, and exploitative digital credit practices.

The urgency of this study is both academic and practical. Academically, the article contributes to the development of Shariah economic law scholarship by offering an integrated reading of contracts and regulation in three major Islamic fintech instruments. Practically, the study provides insights for regulators, Islamic financial institutions, fintech providers, and Shariah supervisory bodies in strengthening legal certainty, Shariah compliance, and consumer protection in Indonesia's digital Islamic finance ecosystem.

Methods

This study employs a normative legal research method using statutory, conceptual, and Shariah legal approaches. The statutory approach is used to examine the legal framework governing Islamic fintech in Indonesia, particularly regulations issued by the Financial Services Authority (Otoritas Jasa Keuangan/OJK) and Bank Indonesia concerning digital financial innovation, technology-based joint funding services, buy now pay later (BNPL), payment systems, and consumer protection. The conceptual approach is applied to analyse the contractual structures of Islamic online lending, Islamic pay later services, and Sharia cards based on the doctrines of *fiqh al-mu'āmalāt*. Meanwhile, the Shariah legal approach is used to assess the conformity of these financial products with DSN-MUI fatwas and the objectives of *maqāṣid al-sharī'ah*, especially the protection of wealth (*ḥifẓ al-māl*), contractual justice, transparency, and the prevention of *ribā*, *gharar*, and *maysir*.

The legal materials used in this study consist of primary and secondary legal materials. Primary legal materials include OJK regulations, Bank Indonesia regulations, and relevant DSN-MUI fatwas, particularly Fatwa No. 117/DSN-MUI/II/2018 on information technology-based financing services based on Shariah principles and Fatwa No. 54/DSN-MUI/X/2006 on Sharia cards. Secondary legal materials include academic books, journal articles, regulatory reports, and scholarly literature related to Islamic fintech, Islamic contracts, Shariah governance, and digital financial regulation. The data are collected through library research and

analysed using content analysis and normative legal interpretation to identify the relationship between contractual structures, regulatory provisions, and Shariah compliance. A limited contextual reference to Sudan is also included to provide comparative insight into financial supervision in another Muslim-majority jurisdiction, without changing the main focus of the study, which remains the Indonesian legal and regulatory framework.

Islamic Fintech Development and Regulatory Landscape in Indonesia

The development of Islamic fintech in Indonesia reflects the broader transformation of financial services in the digital era. Digital platforms have changed the way financial products are offered, accessed, monitored, and regulated by enabling faster transactions, wider outreach, and more flexible service models. In the context of Islamic finance, this transformation is not merely technological but also normative because every innovation must comply with Shariah principles, particularly the prohibition of *ribā*, *gharar*, and *maysir*, as well as the requirement of contractual transparency and fairness (Gomber et al., 2018; Hasan et al., 2020).

Indonesia is a significant case for examining Islamic fintech because it combines a large Muslim population, growing digital financial literacy, and an increasingly developed regulatory infrastructure. Islamic fintech has emerged as an important instrument for expanding access to Shariah-compliant financial services, particularly for consumers and micro, small, and medium enterprises that are not fully served by formal banking institutions. The presence of Islamic peer-to-peer financing, Shariah-compliant digital payments, Islamic investment platforms, and Sharia cards demonstrates that digital finance can support Islamic financial inclusion when it is structured through appropriate contracts and supervised under a reliable legal framework (Fajria, 2019; Norrahman, 2023).

From the perspective of financial regulation, Indonesia has gradually developed a multilayered governance framework for digital finance. Bank Indonesia Regulation No. 19/12/PBI/2017 provides a regulatory basis for financial technology, especially in relation to payment systems, market support, investment management, risk management, lending, financing, capital provision, and other financial services (Bank Indonesia, 2017). Meanwhile, the Financial Services Authority (Otoritas Jasa Keuangan/OJK) regulates and supervises digital financial innovation, technology-based joint funding services, consumer protection, and buy now pay later (BNPL) services through several instruments, including POJK No. 13/POJK.02/2018, POJK No. 22 of 2023, POJK No. 40 of 2024, and POJK No. 32 of 2025 (Otoritas Jasa Keuangan, 2018, 2023, 2024, 2025).

The enactment of POJK No. 40 of 2024 on *Layanan Pendanaan Bersama Berbasis Teknologi Informasi (LPBBTI)* marks an important regulatory update for fintech lending in Indonesia. This regulation strengthens the legal basis for technology-based joint funding services after the enactment of Law No. 4 of 2023 on the Development and Strengthening of the Financial Sector. Its presence indicates that fintech lending is no longer treated merely as an experimental digital financial innovation but as a regulated financial service that requires licensing, governance, risk management, institutional accountability, and consumer protection (OJK, 2024).

The regulatory development of BNPL services is also relevant to the discussion of Islamic pay later products. POJK No. 32 of 2025 specifically regulates the implementation of buy now pay later services by commercial banks and financing companies, including those operating based on Shariah principles. This regulation is important because pay later services involve deferred payment mechanisms that may raise Shariah concerns if they are structured as interest-bearing debt, contain unclear fees, or impose exploitative penalties on consumers (OJK, 2025).

In addition to state regulation, Islamic fintech in Indonesia is also shaped by Shariah norms issued by the National Sharia Council of the Indonesian Ulema Council (Dewan Syariah Nasional–Majelis Ulama Indonesia/DSN-MUI). Fatwa No. 117/DSN-MUI/II/2018 provides the normative foundation for information technology-based financing services based on Shariah principles, while Fatwa No. 54/DSN-MUI/X/2006 regulates Sharia cards as payment instruments that combine *kafālah*, *qard*, and *ijārah* contracts. This dual structure of governance shows that Islamic fintech in Indonesia operates at the intersection of positive law, financial regulation, and Shariah legal authority (DSN-MUI, 2006, 2018).

Table 1 presents several forms of Islamic fintech product innovation in Indonesia and their regulatory relevance. The table does not aim to verify the most recent operational status of every provider, but rather to illustrate the types of Islamic digital financial products discussed in the literature and regulatory framework. It also shows that each product innovation requires a distinct legal analysis because Islamic fintech products differ in their contractual structures, business models, and supervisory needs.

Table 1. Islamic Fintech Product Innovation and Regulatory Position in Indonesia

Product Segment	Illustrative Example or Service Model	Main Legal Character	Relevant Regulation or Fatwa	Main Shariah Legal Issue
Islamic peer-to-peer financing	Ammana and other Shariah-based LPBBTI providers	Technology-based financing connecting fund providers and fund recipients	POJK No. 40 of 2024; DSN-MUI Fatwa No. 117/DSN-MUI/II/2018	Separation between financing contracts and platform service fees to avoid <i>ribā</i>

Product Segment	Illustrative Example or Service Model	Main Legal Character	Relevant Regulation or Fatwa	Main Shariah Legal Issue
Shariah-compliant digital payment	LinkAja Syariah and Shariah e-money services	Digital payment and electronic money service	Bank Indonesia Regulation No. 19/12/PBI/2017; DSN-MUI Fatwa No. 116/DSN-MUI/IX/2017	Fund segregation, lawful transaction objects, and avoidance of non-halal use
Islamic pay later or Shariah BNPL	Shariah-based BNPL operated by eligible financial institutions	Deferred payment facility for purchasing goods or services through electronic systems	POJK No. 32 of 2025; relevant DSN-MUI contract fatwas on murābahah, ijārah, wakālah, and kafālah	Distinction between lawful profit margin or service fee and prohibited interest-based debt
Sharia cards	Islamic credit card or Sharia card products	Cashless payment instrument based on guarantee, loan, and service contracts	DSN-MUI Fatwa No. 54/DSN-MUI/X/2006; relevant banking and payment regulations	Control of fees, penalties, and spending limits to prevent ribā and israf
Islamic digital investment and crowdfunding	Shariah-based investment or securities crowdfunding platforms	Digital investment intermediation based on Shariah-compliant assets	OJK capital market and crowdfunding regulations; DSN-MUI capital market fatwas	Compliance of underlying assets, investor protection, and avoidance of gharar and maysir

The table shows that Islamic fintech in Indonesia cannot be analyzed through a single contractual or regulatory model. Islamic peer-to-peer financing, for example, requires attention to the relationship between fund providers, fund recipients, and platform operators, especially when service fees are charged by the platform. Shariah-compliant digital payment services require a different focus, particularly on fund management, transaction objects, and compliance with DSN-MUI Fatwa No. 116/DSN-MUI/IX/2017 concerning Shariah electronic money (DSN-MUI, 2017; Hasan et al., 2022).

Islamic pay later services require more careful legal scrutiny because they are structurally close to conventional BNPL and credit-based consumption. If the additional payment is attached to a debt obligation, the transaction may be categorized as ribā-based and therefore prohibited under Islamic law. However, if the facility is reconstructed through murābahah, ijārah, wakālah bi al-ujrah, or kafālah with clear disclosure of price, margin, service fee, and payment obligations, it may be structured as a Shariah-compliant deferred payment mechanism (Antonio, 2019; Atmayani, 2025).

Sharia cards also demonstrate the need for precise contractual construction. Based on DSN-MUI Fatwa No. 54/DSN-MUI/X/2006, a Sharia card is not designed as an interest-bearing credit facility but as a payment instrument involving kafālah, qarḍ, and ijārah. The issuer may receive lawful fees for services and guarantees, but late-payment penalties may not become income for the issuer and must be allocated for social purposes in order to avoid ribā (DSN-MUI, 2006).

The regulatory landscape also shows that Islamic fintech development in Indonesia is closely connected with consumer protection. POJK No. 22 of 2023 strengthens the general framework for consumer and public protection in the financial services sector, including product design, information disclosure, marketing, agreement formulation, service provision, complaint handling, and dispute resolution. This protection is especially important in digital finance because consumers may face risks related to hidden fees, aggressive marketing, data misuse, unclear contracts, and excessive debt burdens (OJK, 2023).

Accordingly, Islamic fintech regulation in Indonesia should not be understood only as a matter of licensing or technological compliance. It must also be understood as a legal mechanism for ensuring Shariah compliance, consumer protection, responsible innovation, and financial system stability. The interaction between OJK, Bank Indonesia, and DSN-MUI provides the institutional basis for this framework, although the effectiveness of such governance depends on coordination, supervision, transparency, and the active role of Shariah supervisory bodies within Islamic fintech institutions.

Contractual Structures of Islamic Online Lending, Pay Later, and Sharia Cards

Contracts constitute the legal and ethical foundation of Islamic financial transactions. In Islamic law, the validity of a financial product is not determined merely by its economic function or technological efficiency, but also by the structure of the contract (*akad*) through which rights, obligations, risks, and benefits are allocated among the parties. For this reason, Islamic fintech products must be carefully constructed to ensure that they are free from *ribā*, *gharar*, *maysir*, injustice, and other prohibited elements in *fiqh al-mu‘āmalāt* (AAOIFI, 2021; Auda, 2021).

Islamic online lending, Islamic pay later services, and Sharia cards share a common feature as digital or cashless financial instruments, but they differ in their legal characters. Islamic online lending is primarily related to financing intermediation between fund providers and fund recipients. Islamic pay later services are connected to deferred payment arrangements for goods or services, while Sharia cards function as payment instruments involving guarantees, service facilities, and limited loan features. These differences require distinct contractual arrangements so that each product can operate in accordance with Shariah principles and positive financial regulation.

In the Indonesian context, the contractual construction of Islamic fintech is shaped by the interaction between DSN-MUI fatwas, OJK regulations, Bank Indonesia regulations, and the operational models of Islamic financial institutions. Fatwa No. 117/DSN-MUI/II/2018 provides

the main Shariah basis for technology-based financing services, while Fatwa No. 54/DSN-MUI/X/2006 provides the normative framework for Sharia cards. Meanwhile, POJK No. 40 of 2024 strengthens the regulation of technology-based joint funding services, and POJK No. 32 of 2025 provides a specific regulatory basis for BNPL services, including those that may operate based on Shariah principles (DSN-MUI, 2006, 2018; Otoritas Jasa Keuangan, 2024, 2025).

Table 2. Contractual Structures of Islamic Online Lending, Islamic Pay Later, and Sharia Cards

Islamic Fintech Product	Main Contracts	Contractual Function	Regulatory and Fatwa Basis	Main Shariah Compliance Issue
Islamic online lending or Islamic P2P financing	<i>Qard</i> , <i>wakālah bi al-ujrah</i> , <i>ijārah</i> , <i>murābahah</i> , <i>muḍārabah</i> , and <i>mushārah</i>	<i>Qard</i> functions as an interest-free loan; <i>wakālah bi al-ujrah</i> authorizes the platform to act as an intermediary for a service fee; <i>ijārah</i> applies to digital service facilities; <i>murābahah</i> , <i>muḍārabah</i> , and <i>mushārah</i> may be used depending on the financing model.	DSN-MUI Fatwa No. 117/DSN-MUI/II/2018; POJK No. 40 of 2024	The platform fee must be separated from the financing return so that it does not become disguised interest.
Islamic pay later or Shariah BNPL	<i>Murābahah</i> , <i>ijārah</i> , <i>wakālah bi al-ujrah</i> , and <i>kafālah</i>	<i>Murābahah</i> structures the transaction as a cost-plus sale; <i>ijārah</i> applies to service or facility use; <i>wakālah bi al-ujrah</i> authorizes the platform to purchase goods or arrange services; <i>kafālah</i> may be used when the provider guarantees payment obligations to merchants.	POJK No. 32 of 2025; DSN-MUI fatwas on <i>murābahah</i> , <i>ijārah</i> , <i>wakālah bi al-ujrah</i> , and <i>kafālah</i>	The margin or service fee must be determined transparently at the beginning and must not be linked to interest-bearing debt.
Sharia cards	<i>Kafālah</i> , <i>qard</i> , and <i>ijārah</i>	<i>Kafālah</i> allows the issuer to guarantee payment obligations to merchants; <i>qard</i> applies to cash withdrawal facilities; <i>ijārah</i> applies to card services, payment system access, and membership facilities.	DSN-MUI Fatwa No. 54/DSN-MUI/X/2006; relevant banking and payment regulations	Fees must reflect actual services or guarantees, while late-payment penalties may not become profit for the issuer.

The table shows that Islamic online lending cannot be reduced to a single contract. In practice, the platform may act as an intermediary between fund providers and fund recipients, while also providing digital infrastructure, verification, reporting, and transaction facilitation services. Therefore, *wakālah bi al-ujrah* is often relevant because the platform acts as an agent and receives a service fee that must be agreed upon in advance and clearly separated from the financing return (DSN-MUI, 2018; Iskandar et al., 2019).

The use of *qard* in Islamic online lending must be treated carefully because the basic rule of *qard* is the repayment of the principal amount without any stipulated additional benefit for the lender. Any additional payment required as a condition of the loan may fall within the

category of *ribā* if it is attached to the debt itself. For this reason, Islamic fintech platforms must clearly distinguish between the borrower's repayment obligation to the fund provider and the platform's lawful service fee, which may be justified through *wakālah bi al-ujrah* or *ijārah* when it represents genuine service compensation (AAOIFI, 2021; Taufik et al., 2024).

In addition to *qard* and *wakālah bi al-ujrah*, Islamic online financing may also use exchange-based and partnership-based contracts depending on the object and purpose of financing. *Murābahah* may be used when the financing involves the purchase and resale of goods with a disclosed profit margin. *Muḍārabah* and *mushārah* may be used when the financing is directed toward productive business activities and the parties agree to profit-sharing and risk-sharing mechanisms. This diversity of contracts indicates that Islamic online lending should not be understood merely as digital debt, but as a broader financing ecosystem that can accommodate several Shariah-compliant contractual models.

Islamic pay later services require a different contractual analysis because their basic economic function is deferred payment for goods or services. Conventional pay later models often resemble consumer credit because users receive goods immediately and pay later, sometimes with interest, late fees, or additional charges. From the perspective of Islamic law, such a structure becomes problematic when the additional payment is attached to a debt obligation rather than to a legitimate sale price, service fee, or guarantee arrangement (Atmayani, 2025).

The most appropriate contract for Islamic pay later services is often *murābahah*, especially when the provider or affiliated financial institution purchases the goods requested by the customer and resells them at a price that includes a disclosed profit margin. In this arrangement, the margin is not treated as interest because it forms part of the sale price agreed upon at the beginning of the contract. However, the validity of this model depends on the real existence of the sale object, disclosure of the acquisition cost and margin, clarity of instalment obligations, and absence of hidden charges that may create *gharar* or injustice (Antonio, 2019; DSN-MUI, 2000).

Islamic pay later may also be structured through *wakālah bi al-ujrah* when the customer appoints the platform to purchase goods or arrange services on the customer's behalf. In this structure, the platform may receive a service fee, but the fee must be determined transparently and must not fluctuate based on the duration or amount of an interest-bearing debt. If the platform also guarantees payment to merchants, *kafālah* may function as a complementary contract, provided that the guarantee fee is not used as a device to generate unlawful gain from debt (Hasan et al., 2022).

The enactment of POJK No. 32 of 2025 is important because it provides a specific regulatory basis for BNPL services in Indonesia. Nevertheless, the existence of positive regulation does not automatically guarantee Shariah compliance. Islamic pay later services still require a clear contractual reconstruction so that deferred payment is based on *murābahah*, *ijārah*, *wakālah bi al-ujrah*, *or kafālah*, rather than on interest-bearing credit that merely adopts Islamic terminology (Otoritas Jasa Keuangan, 2025).

Sharia cards have a more established Shariah framework because they are specifically regulated by DSN-MUI Fatwa No. 54/DSN-MUI/X/2006. According to this fatwa, the Sharia card is structured through three contracts, namely *kafālah*, *qarḍ*, and *ijārah*. The issuer acts as a guarantor for the cardholder's payment obligations to merchants, provides cash withdrawal facilities under *qarḍ*, and offers payment system services under *ijārah* (DSN-MUI, 2006).

The *kafālah* contract in Sharia cards allows the issuer to receive a lawful guarantee fee, provided that the fee is clearly determined and does not become a substitute for interest. The *ijārah* contract justifies membership fees or service fees because the issuer provides facilities, transaction processing, payment system access, and security services to the cardholder. Meanwhile, the *qarḍ* contract applies when the cardholder makes cash withdrawals, and the issuer may only require repayment of the principal amount without charging interest on the loan.

A crucial issue in Sharia cards concerns late-payment penalties. Under Shariah principles, penalties may not become income for the issuer because this would transform delayed payment into a profit-generating debt mechanism. Therefore, DSN-MUI Fatwa No. 54/DSN-MUI/X/2006 allows penalties only as a disciplinary measure, with proceeds allocated to social funds rather than corporate profit. This rule distinguishes Sharia cards from conventional credit cards and reflects the principle that financial discipline must not be achieved through *ribā*-based accumulation.

The comparative analysis of these three products demonstrates that Islamic fintech contracts are not merely formal labels attached to digital financial services. They function as substantive legal mechanisms that determine whether a product is Shariah-compliant or merely replicates conventional credit practices under Islamic terminology. Therefore, the validity of Islamic fintech depends on the genuine implementation of contracts, transparency of fees, proper allocation of risks, lawful transaction objects, and the prevention of *ribā*, *gharar*, and *maysir*.

Accordingly, Islamic online lending, Islamic pay later, and Sharia cards must be assessed through both contractual and regulatory lenses. DSN-MUI fatwas provide the Shariah

foundation, while OJK and Bank Indonesia regulations provide the institutional and supervisory framework. The integration of these two dimensions is essential to ensure that Islamic fintech in Indonesia develops not only as a technological innovation but also as a legally accountable and ethically grounded financial system.

Shariah Compliance and the Role of DSN-MUI Fatwas

Shariah compliance is the central element that distinguishes Islamic fintech from conventional digital financial services. In Islamic finance, a product cannot be considered Shariah-compliant merely because it uses Islamic terminology or is marketed to Muslim consumers. Its legal validity must be assessed through the substance of the contract, the lawfulness of the transaction object, the transparency of fees, the allocation of risks, and the absence of *ribā*, *gharar*, *maysir*, *tadlīs*, *ḍarar*, and other prohibited elements in *fiqh al-mu‘āmalāt* (AAOIFI, 2021; Auda, 2021).

In Indonesia, Shariah compliance in Islamic fintech is constructed through a combination of state regulation and religious legal authority. OJK and Bank Indonesia provide the positive legal framework for licensing, supervision, payment systems, consumer protection, and digital financial governance. DSN-MUI, on the other hand, provides the normative Shariah basis through fatwas that define permissible contracts, prohibited practices, and the ethical boundaries of Islamic financial transactions (DSN-MUI, 2006, 2017, 2018).

The role of DSN-MUI fatwas is especially important because Islamic fintech products often involve new business models that are not directly discussed in classical *fiqh* literature. Digital platforms, electronic money, peer-to-peer financing, pay later facilities, and card-based payment instruments require contemporary legal reasoning to connect technological innovation with established principles of Islamic commercial law. Through its fatwas, DSN-MUI functions as an institution that translates the doctrines of *fiqh al-mu‘āmalāt* into operational guidelines for modern Islamic financial products.

Fatwa No. 117/DSN-MUI/II/2018 is one of the most relevant fatwas for Islamic online lending and technology-based financing services. This fatwa provides guidance for information technology-based financing services based on Shariah principles and requires that such services avoid *ribā*, *gharar*, *maysir*, *tadlīs*, *ḍarar*, and other unlawful elements. It also recognizes the possibility of using several contracts, including sale-based, service-based, agency-based, partnership-based, and financing-based contracts, depending on the structure and purpose of the transaction (DSN-MUI, 2018).

The significance of Fatwa No. 117/DSN-MUI/II/2018 lies in its effort to prevent Islamic online lending from becoming a digital form of interest-based debt. If a platform provides financing and imposes additional payment based on the amount or duration of a debt, the transaction may be classified as *ribā*. Therefore, the fatwa requires the contractual structure to be clearly defined so that any fee received by the platform must be linked to a legitimate service, agency, or facility, rather than to the loan itself.

For Islamic pay later services, the role of DSN-MUI fatwas is more complex because there is not yet one specific fatwa that exclusively governs Shariah BNPL as a standalone product. As a result, the Shariah analysis of Islamic pay later services must refer to several relevant fatwas concerning *murābahah*, *ijārah*, *wakālah bi al-ujrah*, *kafālah*, electronic money, and marketplace transactions. This multi-fatwa approach is necessary because pay later services may involve several legal relationships at once, including the relationship between user and merchant, platform and user, platform and financial institution, and financial institution and merchant.

In this context, *murābahah* is relevant when the pay later facility is structured as a cost-plus sale with deferred payment. The profit margin may be lawful if it is included in the selling price, disclosed at the beginning of the contract, and agreed upon by the contracting parties. However, if the additional payment is imposed after the creation of a debt or increases due to late payment, it may no longer be treated as a lawful sale margin and may instead fall into a *ribā*-based structure (Antonio, 2019; DSN-MUI, 2000).

Wakālah bi al-ujrah is also relevant for Islamic pay later services when the platform acts as an agent that facilitates the purchase of goods or services on behalf of the user. In such a structure, the platform may receive an *ujrah* as compensation for its service, provided that the fee is transparent, fixed, and separated from any interest-based debt. This distinction is essential because Shariah compliance depends not only on the existence of a named contract but also on whether the fee truly represents service compensation or functions as disguised interest (DSN-MUI, 2017; Hasan et al., 2022).

Kafālah may also be used in Islamic pay later services when the provider guarantees the payment obligation of the user to the merchant. The guarantee arrangement is permissible if it does not create exploitative gain from debt and if the guarantee fee is determined in a clear and fair manner. Nevertheless, the application of *kafālah* in digital financing must be supervised carefully because excessive or unclear fees may create *gharar* and may undermine the ethical purpose of Islamic financial intermediation.

For Sharia cards, DSN-MUI Fatwa No. 54/DSN-MUI/X/2006 provides a more specific and established normative framework. The fatwa allows the use of Sharia cards based on three contracts, namely kafālah, qarḍ, and ijārah. Through kafālah, the card issuer guarantees the cardholder's payment obligations to merchants; through qarḍ, the issuer provides a loan facility in the case of cash withdrawal; and through ijārah, the issuer provides payment system services and card facilities to the cardholder (DSN-MUI, 2006).

The most important Shariah compliance issue in Sharia cards concerns the treatment of fees and penalties. Membership fees, merchant fees, cash withdrawal fees, and kafālah fees may be permissible if they are based on actual services, guarantees, or facilities and are clearly determined at the beginning of the contract. However, late-payment penalties may not become income for the issuer because such treatment would make delay in debt repayment a source of profit, which is inconsistent with the prohibition of ribā (DSN-MUI, 2006).

DSN-MUI Fatwa No. 54/DSN-MUI/X/2006 also contains an ethical dimension that goes beyond formal contractual validity. The fatwa restricts the use of Sharia cards so that they do not encourage isrāf or excessive consumption. This restriction is important because Islamic financial instruments should not merely provide access to credit or payment facilities, but should also promote responsible financial behavior and protect consumers from unnecessary debt burdens.

The role of DSN-MUI fatwas in Islamic fintech governance should therefore be understood in both normative and institutional terms. Normatively, the fatwas define the Shariah parameters of permissible contracts and prohibited practices. Institutionally, they guide Islamic financial institutions, fintech providers, Shariah Supervisory Boards, regulators, and consumers in determining whether a product complies with the principles of Islamic law.

Nevertheless, the effectiveness of DSN-MUI fatwas depends on their implementation within the operational governance of Islamic fintech providers. A fatwa may establish the normative rule, but Shariah compliance must still be ensured through product design, contractual documents, platform mechanisms, fee structures, consumer disclosures, risk management, and periodic Shariah review. Without strong implementation, there is a risk that Islamic fintech products may comply with Shariah principles formally but deviate from them substantively.

The Shariah Supervisory Board (Dewan Pengawas Syariah/DPS) plays a crucial role in this implementation process. DPS is expected to ensure that the contracts used by Islamic fintech providers are not merely written in Shariah terminology but are also applied in accordance with their legal substance. In digital financial services, this role becomes even more

important because the contract is often embedded in platform terms and conditions, electronic agreements, automated fee calculations, and digital transaction flows.

The integration between DSN-MUI fatwas and OJK regulation is therefore necessary to strengthen Islamic fintech governance in Indonesia. OJK provides the regulatory infrastructure for licensing, reporting, consumer protection, and supervision, while DSN-MUI provides the Shariah legal framework for evaluating contracts and business models. A stronger coordination between these institutions is needed to ensure that Islamic online lending, Islamic pay later, and Sharia cards develop within a framework that is legally certain, technologically adaptive, and substantively compliant with Shariah principles.

In conclusion, DSN-MUI fatwas serve as the normative backbone of Islamic fintech regulation in Indonesia. They provide the Shariah standards through which digital financial products are assessed, corrected, and legitimized. However, their effectiveness depends on consistent implementation, active DPS supervision, transparent contractual documentation, and regulatory coordination between DSN-MUI, OJK, Bank Indonesia, and Islamic fintech providers.

A Contextual Note on Sudan: Financial Supervision and Digital Marketplace Development

Although this article focuses primarily on Indonesia, a limited contextual reference to Sudan is useful for highlighting the broader relevance of Islamic fintech regulation in Muslim-majority jurisdictions. Sudan provides an illustrative case because it has a long-standing Islamic financial orientation reflected in the Central Bank of Sudan's reference to the ordinances of Islamic Sharia and the historical Islamic/conventional configuration of its banking system (Central Bank of Sudan, 2026). It has also developed digital marketplace and payment initiatives in recent years. However, this section does not intend to conduct a full comparative legal analysis; rather, it uses Sudan as a contextual reference to clarify the distinctiveness of Indonesia's regulatory model.

Indonesia and Sudan represent two different institutional patterns in the supervision of Islamic finance and digital financial services. Indonesia has an integrated financial supervisory authority through the Financial Services Authority (Otoritas Jasa Keuangan/OJK), while Bank Indonesia remains responsible for payment systems and monetary-related financial technology matters. Sudan, by contrast, reflects a more sectoral institutional structure in which the Central Bank of Sudan plays an important role in banking, payment-system regulation, and licensed

fintech/payment company matters, while the Financial Markets Authority supervises the capital market sector (Central Bank of Sudan, 2026; Financial Markets Authority, 2026).

The distinction between these two regulatory models is important for understanding the governance of Islamic fintech. Islamic fintech requires not only Shariah-compliant contracts but also institutional coordination among regulators, financial institutions, payment system authorities, and Shariah supervisory bodies. When regulatory authority is fragmented, the supervision of digital finance may require stronger inter-institutional coordination to avoid gaps in licensing, consumer protection, platform accountability, and Shariah compliance.

In Indonesia, Islamic fintech operates within a regulatory ecosystem that combines OJK regulations, Bank Indonesia regulations, and DSN-MUI fatwas. OJK regulates and supervises fintech lending, digital financial innovation, consumer protection, and BNPL services, while Bank Indonesia regulates payment systems and financial technology within its authority. DSN-MUI provides the Shariah normative framework through fatwas related to technology-based financing, Shariah electronic money, Sharia cards, and relevant Islamic contracts.

Sudan's regulatory framework, on the other hand, is more dispersed across sectoral authorities. The Central Bank of Sudan provides banking and payment-related regulatory references, including laws and regulations concerning banking business, electronic transactions, foreign exchange, and licensed fintech/payment companies. Meanwhile, the Financial Markets Authority functions as the supervisory institution for the capital market sector and was established under the Capital Markets Regulatory Authority Law of 2016 (Central Bank of Sudan, 2026; Financial Markets Authority, 2026).

The development of Sudan's digital economy can also be seen through the emergence of Alsoug and Cashi. Alsoug has been described as Sudan's largest online classifieds platform and marketplace, while Cashi has developed as a digital payment platform connected to merchant-based financial access. The Central Bank of Sudan lists Hypernova Co., with the brand name Cashi, among licensed financial institutions for mobile payment, and IFC also describes Cashi as a digital payment platform enabling users and businesses to send and receive money through mobile phones, point-of-sale devices, and SMS-based tools (Central Bank of Sudan, 2026; Cashi, 2026; International Finance Corporation, 2026; Wamda, 2021). These platforms illustrate that Sudan's digital financial ecosystem has been moving toward marketplace-based transactions and digital payments, although available information does not indicate the existence of a widely established Shariah-compliant pay later ecosystem comparable to the Indonesian model.

Table 3. Limited Contextual Comparison between Indonesia and Sudan

Aspect	Indonesia	Sudan	Analytical Relevance
Main financial supervisory model	Integrated financial supervision through OJK, with Bank Indonesia supervising payment systems and monetary-related fintech matters	More sectoral supervision, with the Central Bank of Sudan overseeing banking and payment-related matters and the Financial Markets Authority supervising capital markets	Indonesia offers a more integrated model for fintech supervision, while Sudan illustrates a more sectoral institutional arrangement
Islamic fintech governance	Based on the interaction between OJK regulations, Bank Indonesia regulations, and DSN-MUI fatwas	Based on banking, payment, electronic transaction, and capital market regulations, with Islamic finance embedded in the broader financial system	Indonesia shows a clearer interaction between state regulation and Shariah fatwa authority
Digital marketplace ecosystem	Strong e-commerce and digital payment ecosystem, including marketplace-based financing and BNPL development	Alsoug functions as a major marketplace, while Cashii develops digital payment and merchant-based financial access	Sudan provides a useful contextual example of marketplace and payment development without shifting the article's focus from Indonesia
Pay later or BNPL regulation	BNPL is specifically regulated through POJK No. 32 of 2025, including services that may operate based on Shariah principles	Available sources emphasize marketplace and payment development, but do not show a specific Islamic BNPL regulatory framework comparable to Indonesia	Indonesia is more relevant as the main object for analyzing Islamic pay later regulation
Shariah compliance framework	DSN-MUI fatwas provide normative guidance for Islamic fintech contracts and products	Shariah compliance is connected to Sudan's broader Islamic financial system, but sector-specific fintech fatwa documentation is less visible in accessible sources	Indonesia provides a stronger documentary basis for contract-based Islamic fintech analysis
Consumer protection	OJK consumer protection regulation applies to financial service providers, including digital financial services	Consumer protection depends on sectoral financial and electronic transaction regulations	The Indonesian model provides a clearer basis for analyzing platform accountability and user protection

The table shows that Indonesia and Sudan share a general concern for Islamic finance and digital economic development, but they differ in their institutional and regulatory architecture. Indonesia's model is more directly relevant to the analysis of Islamic fintech contracts because it provides clearer documentary links between financial regulation and DSN-MUI fatwas. Sudan, by contrast, offers a useful contextual reference for understanding how Islamic finance and digital marketplaces may develop under a more sectoral supervisory framework.

The comparison also shows that the presence of a digital marketplace does not automatically produce a complete Islamic fintech ecosystem. In Sudan, Alsoug and Cashii indicate the growth of digital marketplace and payment infrastructure, but the accessible sources consulted emphasize payment access, merchant networks, and marketplace development rather than Shariah-compliant BNPL or pay later regulation. This distinction is important because Islamic pay later services require specific contractual and regulatory

safeguards to prevent ribā-based debt, hidden fees, excessive consumer debt, and unfair platform practices.

Indonesia's regulatory development is more advanced in relation to BNPL because POJK No. 32 of 2025 provides a specific legal basis for the operation of buy now pay later services. This regulation is significant for Islamic fintech because Shariah-compliant pay later products must be evaluated not only through general fintech regulation but also through rules governing deferred payment, consumer protection, cooperation with merchants, information disclosure, billing practices, and risk management. Therefore, Indonesia provides a stronger legal setting for analyzing Islamic pay later services as part of Islamic digital finance.

The Sudanese context also reinforces the importance of institutional coordination in Islamic fintech governance. When banking, payment systems, capital markets, electronic transactions, and marketplace activities are supervised through different institutional channels, regulatory gaps may emerge if coordination is not sufficiently strong. This point is relevant for Indonesia because even though OJK provides integrated financial supervision, Islamic fintech still requires coordination with Bank Indonesia and DSN-MUI to ensure that digital payment systems, financial products, and Shariah compliance standards operate coherently.

For this reason, Sudan should not be treated as a direct comparison to Indonesia in this article, but as a contextual reference that strengthens the argument for integrated Islamic fintech governance. The Indonesian experience shows that Islamic fintech regulation must connect three dimensions: positive financial regulation, Shariah contractual validity, and consumer protection. The Sudanese context, meanwhile, illustrates that digital marketplace and payment development may grow even where integrated Islamic fintech regulation is less visible, thereby highlighting the need for stronger institutional design in Muslim-majority digital economies.

In conclusion, the limited reference to Sudan helps clarify the significance of Indonesia as the main object of this study. Indonesia's Islamic fintech ecosystem is supported by a more explicit interaction between OJK, Bank Indonesia, and DSN-MUI, especially in relation to online lending, pay later services, and Sharia cards. This institutional configuration provides a stronger basis for analyzing how Islamic fintech contracts should be regulated, supervised, and aligned with Shariah principles in the digital economy.

Maqāṣid al-Sharī'ah Analysis of Islamic Fintech Regulation

The regulation of Islamic fintech cannot be assessed only through formal compliance with licensing requirements, institutional supervision, or contractual documentation. In Islamic legal theory, the validity of a financial product must also be examined through the extent to which it

realizes the higher objectives of Islamic law, known as *maqāṣid al-sharī‘ah*. This perspective is important because Islamic fintech operates in a digital environment where financial access, consumer behavior, platform algorithms, credit facilities, and fee mechanisms may produce both benefits and risks for society (Auda, 2021; Dusuki & Abdullah, 2007).

Maqāṣid al-sharī‘ah provides a normative framework for evaluating whether Islamic fintech products contribute to public benefit (*maṣlaḥah*) and prevent harm (*mafsadah*). In the context of Islamic online lending, Islamic pay later services, and Sharia cards, the most relevant objective is the protection of wealth (*ḥifẓ al-māl*). However, *ḥifẓ al-māl* should not be understood only as the protection of property ownership, but also as the protection of consumers from *ribā*-based debt, excessive fees, hidden charges, irresponsible financing, and exploitative digital financial practices.

Islamic online lending may contribute to *ḥifẓ al-māl* when it expands access to lawful financing for productive activities, especially for micro, small, and medium enterprises. Through Shariah-compliant contracts such as *qarḍ*, *wakālah bi al-ujrah*, *ijārah*, *murābahah*, *muḍārabah*, and *mushārahah*, Islamic online lending can provide alternative financing mechanisms that avoid interest-based credit. Nevertheless, this benefit can only be realized when the financing structure clearly separates legitimate service fees from prohibited gains derived from debt (AAOIFI, 2021; DSN-MUI, 2018).

The enactment of POJK No. 40 of 2024 strengthens the *maqāṣid*-oriented governance of technology-based joint funding services in Indonesia. This regulation reinforces institutional requirements, governance standards, risk management, and supervisory mechanisms for LPBBTI providers. From the perspective of *maqāṣid al-sharī‘ah*, such regulation is relevant because legal certainty and institutional accountability are necessary instruments for protecting users' wealth, preventing financial abuse, and maintaining public trust in digital financial services (OJK, 2024).

Islamic pay later services require even more careful *maqāṣid*-based scrutiny because they are closely related to consumer financing and deferred payment behavior. If pay later services are structured through interest-bearing debt, unclear penalties, or hidden charges, they may undermine *ḥifẓ al-māl* by encouraging excessive consumption and debt accumulation. In such cases, the product may be formally useful for transaction convenience but substantively harmful because it exposes consumers to financial vulnerability and exploitative repayment mechanisms.

A Shariah-compliant pay later model should therefore be constructed through contracts that preserve fairness, transparency, and proportionality. *Murābahah* may be used when the

transaction is based on a genuine sale with a disclosed profit margin, while *ijārah* may apply when the fee is connected to the use of services or facilities. *Wakālah bi al-ujrah* may also be relevant when the platform acts as an agent, and *kafālah* may be used when the provider guarantees payment obligations, provided that all fees are clearly determined and are not used as disguised interest (Antonio, 2019; DSN-MUI, 2000; Hasan et al., 2022).

The issuance of POJK No. 32 of 2025 on BNPL provides an important regulatory basis for controlling deferred payment services in Indonesia. From the perspective of *maqāṣid al-sharī'ah*, this regulation is significant because BNPL services may directly affect consumer welfare, household financial discipline, and responsible consumption. Therefore, Islamic BNPL should not merely comply with formal financial regulation but must also be designed to avoid *ribā*, prevent *isrāf*, ensure affordability, and protect consumers from excessive debt burdens (OJK, 2025).

Sharia cards also require *maqāṣid*-based analysis because they provide cashless payment facilities that may support transaction efficiency but may also encourage consumptive behavior. DSN-MUI Fatwa No. 54/DSN-MUI/X/2006 addresses this risk by requiring Sharia cards to avoid *ribā*, *gharar*, and *maysir*, and by limiting excessive expenditure through spending limits. This restriction reflects the *maqāṣid* principle that financial instruments should protect wealth rather than facilitate uncontrolled consumption (DSN-MUI, 2006).

In the framework of *ḥifẓ al-māl*, fees in Sharia cards must be evaluated based on their legal and economic substance. Membership fees and service fees may be justified through *ijārah* when they correspond to actual services provided by the issuer. *Kafālah* fees may also be permissible when they represent compensation for guarantee services, while *qarḍ* must remain an interest-free loan that does not generate profit from the borrower's debt.

Late-payment penalties in Sharia cards and other Islamic fintech products must also be assessed through the same *maqāṣid* logic. A penalty may be permitted as a disciplinary mechanism when it aims to prevent moral hazard and encourage timely payment. However, the penalty may not become income for the provider because such treatment would transform delay in debt repayment into a profit-making mechanism and would contradict the prohibition of *ribā* (DSN-MUI, 2006).

The *maqāṣid al-sharī'ah* framework also requires Islamic fintech regulation to protect contractual justice. Contractual justice means that each party must understand the object of the transaction, the price or fee, the payment period, the rights and obligations, and the consequences of default. In digital fintech transactions, this requirement becomes more urgent

because users often agree to electronic contracts, terms and conditions, automated approvals, and fee calculations without fully understanding their legal implications.

Consumer protection is therefore an integral part of maqāṣid-based Islamic fintech governance. POJK No. 22 of 2023 on Consumer and Public Protection in the Financial Services Sector strengthens the legal basis for transparency, fair treatment, responsible marketing, complaint handling, and dispute resolution. These principles are consistent with maqāṣid al-sharī'ah because they aim to prevent harm, protect users from unfair practices, and ensure that financial innovation serves public welfare rather than merely institutional profit (OJK, 2023).

Maqāṣid al-sharī'ah also emphasizes the importance of preventing gharar in digital financial transactions. Gharar may arise when users do not clearly understand the fee structure, the role of the platform, the financing source, the legal status of the transaction, or the consequences of delayed payment. Therefore, Islamic fintech providers must ensure that digital contracts and platform interfaces communicate all essential information clearly, fairly, and accessibly.

In addition to preventing gharar, Islamic fintech regulation must also prevent maysir and speculative practices. This is particularly relevant for digital investment, crowdfunding, and financing products that may involve risk-sharing or return expectations. If the underlying asset, business activity, or return mechanism is unclear, the transaction may become speculative and inconsistent with Islamic legal principles.

The maqāṣid perspective further requires Islamic fintech to support financial inclusion without producing new forms of digital exploitation. Financial inclusion is valuable when it enables underserved communities to access lawful, affordable, and productive financial services. However, inclusion becomes problematic if it merely expands access to high-cost financing, excessive consumer credit, or digital debt traps disguised as convenience.

In this regard, Islamic fintech regulation in Indonesia should balance innovation and protection. Innovation is necessary to expand access, reduce transaction costs, and support the Islamic digital economy. Protection is equally necessary to ensure that fintech users are not harmed by unclear contracts, aggressive marketing, irresponsible financing, weak data protection, or Shariah non-compliance.

The role of OJK, Bank Indonesia, DSN-MUI, and Shariah Supervisory Boards is therefore central to realizing maqāṣid al-sharī'ah in Islamic fintech. OJK provides financial supervision and consumer protection, Bank Indonesia regulates payment systems and financial technology within its authority, DSN-MUI establishes Shariah normative standards, and Shariah Supervisory Boards ensure operational compliance at the institutional level. The

effectiveness of Islamic fintech governance depends on the ability of these institutions to coordinate their roles in a coherent and adaptive manner.

A maqāṣid-based analysis shows that Islamic fintech should not only be free from *ribā*, *gharar*, and *maysir* in a formal sense. It must also promote fairness, transparency, accountability, responsible consumption, consumer protection, and sustainable financial inclusion. Therefore, the success of Islamic online lending, Islamic pay later, and Sharia cards should be measured not only by market growth or technological adoption, but also by their ability to protect consumers and realize the ethical objectives of Islamic law.

In conclusion, maqāṣid al-sharī'ah provides a comprehensive normative lens for assessing Islamic fintech regulation in Indonesia. Islamic online lending, Islamic pay later services, and Sharia cards may contribute to the development of the Islamic digital economy when they are structured through valid contracts, supervised by competent authorities, and aligned with consumer protection principles. However, without transparency, Shariah governance, and effective regulatory coordination, these products risk reproducing conventional credit practices under Islamic labels rather than realizing the substantive objectives of Islamic law.

Conclusion

This study concludes that the development of Islamic fintech in Indonesia—encompassing online lending, paylater services, and Sharia cards—is shaped by a complex interaction between digital innovation, recent financial regulations (such as POJK No. 40 of 2024 and POJK No. 32 of 2025), and the substance of Shariah contracts (such as *qard*, *murābahah*, *ijārah*, and *kafālah*). The primary distinction between Islamic and conventional fintech lies not merely in the absence of interest, but in the reconstruction of transactions to completely avoid *ribā*, *gharar*, *maysir*, hidden charges, unfair penalties, and exploitative debt mechanisms. Furthermore, contextual comparison reveals that Indonesia possesses a superior advantage in its more explicit and structured interaction between state financial regulations and Shariah fatwa authority compared to the sectoral supervision model implemented in Sudan.

The findings of this study imply that Islamic fintech governance in Indonesia must be strengthened through closer coordination among OJK, Bank Indonesia, DSN-MUI, and Shariah Supervisory Boards to ensure that digital financial products are not only formally licensed but also substantively aligned with maqāṣid al-sharī'ah, particularly regarding wealth protection (*ḥifz al-māl*), contractual justice, and consumer protection. To achieve this, industry participants must enhance transparency in disclosing contracts and fee structures, while the role of Shariah Supervisory Boards should be empowered to oversee compliance from product

design to operational practices. Given that this study is limited by its normative, literature-based legal method, future research should conduct empirical field studies—through interviews with regulators, providers, and users, alongside direct analysis of electronic contracts—to determine whether Islamic fintech in Indonesia truly realizes the substantive objectives of Islamic law or merely reproduces conventional credit models under Shariah terminology.

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