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# Digital Financial Revolution: Sharia Fintech and Economic Transformation Based on Sharia Principles in Indonesia

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***Abstrak:*** This research aims to analyze the development of the Digital Financial Revolution with a focus on the Sharia Fintech industry, as well as economic transformation related to the implementation of Sharia principles in Indonesia. This research methodology uses literature studies sourced from journal articles, market surveys, transactional data analysis, and case studies from various Sharia Fintech platforms. Research findings reveal that the development of the digital financial revolution in Indonesia has experienced rapid progress in recent years, this is marked by the growth and development of the digital financial industry including digital wallets and also P2P landing as well as increasingly mature supporting regulations. Along with the development of the digital financial revolution, the development of Sharia Fintech is growing and developing rapidly, which is marked by increasing awareness of the public and MSMEs in using Sharia Fintech which is free from interest and usury. The digital financial revolution was also followed by an economic transformation based on Sharia principles which experienced positive developments. Economic transformation based on sharia principles in Indonesia is marked by the industrial era of sharia banking and sharia business units in conventional banks. Apart from that, the Sharia capital market in Indonesia is also experiencing rapid development and the Sharia insurance industry is also growing. This research also has limitations, including limited data availability and challenges in accommodating rapid technological and regulatory developments. The implications of this research include policy recommendations for the government as well as financial industry sustainability guidelines.

***Keywords:*** Digital Financial Revolution, Sharia Fintech, Digital Economic Transformation

## Introduction

The digital financial revolution is a major wave of transformation in the world of finance driven by advances in information technology (Duvendack et al., 2023). These changes have fundamentally changed the way humans interact with money, investments and access to financial services. The digital financial revolution began at the end of the 20th century with the emergence of the internet (Gabor & Brooks, 2017). Banking and financial services are starting to experience changes through the use of online platforms. The first online banking services appeared, making it easy for customers to access their accounts and carry out transactions without having to come directly to the bank (BinSaeed et al., 2023).

Then at the beginning of the 21st century, a new phenomenon emerged with the birth of Financial Technology (Fintech). Fintech companies combine modern technology with financial services, enabling significant innovation. Digital payment applications, peer-to-peer lending and investment platforms are starting to emerge, providing faster, more efficient and affordable solutions compared to traditional financial institutions (Nainggolan, 2023). One of the most positive impacts of the digital financial revolution is increased financial inclusion. Billions of people who previously did not have access to financial services can now open an account, borrow money or invest through their mobile devices. Digital technology levels the playing field, providing opportunities to communities that were previously financially marginalized (Morgan & Long, 2020).

As an evolution of the digital financial revolution, Sharia Fintech is a solution for people who want financial services in accordance with Islamic Sharia principles (Okfalisa et al., 2022). By combining digital technology and ethical values, Sharia Fintech provides an alternative that is more in line with the financial beliefs and principles of Muslims (Sekar Ayu Sridanti et al., 2022). The digital financial revolution continues to develop and shape the future of global finance. The emergence of sharia Fintech in Indonesia is a response to the development of conventional Fintech companies that use interest instruments in their operations (Rusydiana, 2019). Sharia Fintech services in Indonesia are regulated in the fatwa of the National Sharia Council-Indonesian Ulema Council (DSN-MUI) number 117/DSN-MUI/II/2018 concerning Information Technology-Based Financing Services based on Sharia Principles (Hiyanti et al., 2020).

Islamic fintech promotes ethically responsible finance and presents opportunities to lead and influence all forms of finance globally (Maziyah et al., 2020). The growth also shows positive figures from time to time. referring to the Global Fintech Islamic Report 2021, sharia Fintech services in Indonesia are in fifth place. In the report, the sharia Fintech market in Indonesia reached IDR 41.7 trillion or US$ 2.9 billion. The Indonesian Sharia Fintech Association (AFSI) noted that currently there are 17 Sharia Fintechs that have operational permits, consisting of peer-to-peer lending, digital financial innovation and securities crowdfunding. This number is still quite small considering that sharia fintech is still relatively new in Indonesia (Hiyanti et al., 2019).

Apart from the digital financial revolution leading to the development of sharia Fintech, there is also an economic transformation based on sharia principles. Economic transformation based on Sharia principles is a journey towards an economic system that complies with Islamic law (Sani, 2022). Focusing on justice, sustainability and ethics, this transformation has a positive impact on various aspects of economic life. Transformation begins with the implementation of Sharia principles, which include the prohibition of riba (interest), uncertainty (gharar), and investment in haram sectors (Kambali, 2021). This principle is the basis for every economic decision, whether in banking, investment or trade. In this transformation journey, Sharia banking has become one of the main pillars. These banks operate without interest, replacing the conventional interest system with a profit sharing concept. They also focus on financing projects that comply with Sharia principles, such as projects that support the environment or society (Inayati et al., 2022).

Economic transformation based on Sharia principles brings to wider levels of society. Through Sharia banking, people can access financial services without involving interest, providing opportunities for those who previously had difficulty accessing financing. This also leads to community economic empowerment, especially among small and medium enterprises (UKM) (M. I. Gunawan, 2020). This transformation is driving an increase in ethical and sustainable investment. Investors are directed to choose projects that not only provide financial benefits but also support environmental sustainability and social welfare (Budiantoro et al., 2018).

This concept is in accordance with Islamic economic principles which emphasize social and environmental responsibility. Through these steps, economic transformation based on Sharia principles shapes a more just, sustainable and ethical future. By incorporating Islamic values into every aspect of the economy, society can create an economy that not only provides financial benefits but also contributes to welfare and social justice. This transformation is a pioneer in forming a new paradigm for a more sustainable and inclusive global economic system (Adriansyah & Kurniawan, 2022).

Research on the digital financial revolution, especially regarding sharia fintech services, is still very rare, considering that sharia fintech is something that has only recently developed in Indonesia. For this reason, the author is interested in raising this topic as research. (Wahyuddin et al., 2022) in his research on digital financial systems stated "The Financial Technology (Fintech) industry is one of the financial service innovations that is starting to become popular in the current digital era and technology with the concept of digitalization of payments is becoming one of the sectors in the Fintech industry the most developed in Indonesia. In this case, the Fintech sector is most expected by the government and society to encourage and increase the number of people who have access to use financial services.

(Eka Yulianti et al., 2022) in their research on the application of digital-based financial systems to MSMEs in Bandung stated that education and training on the application of digital-based financial systems is very important in improving the development of MSMEs in Bandung. Furthermore (Satya, 2021) in his research entitled Digital Payment System Regulations for the Stability of the Indonesian Financial System stated "Payment Systems continue to evolve in line with technological innovation and business models, societal traditions and authority policies. Since the launch of the National Cashless Movement (GNNT) in 2014, the use of non-cash payment systems has experienced massive growth with various instruments and forms. Non-cash financial transactions are relatively cheaper, faster and easier so they can increase the productivity of the national economy.

The research aims to look further into the development of the digital financial revolution in Indonesia with the development of sharia Fintech and sharia-based economic transformation. Research in the field of Sharia Fintech and Sharia-based economic transformation has an important role in developing a financial system that is fair, sustainable and in accordance with Islamic values. This research enables the development of new innovations in Sharia Fintech products and services. By understanding people's needs and expectations, researchers can create financial solutions that are more efficient and in accordance with Sharia principles, such as interest-free financing, sustainable investment, and inclusive financial services.

## Literature review

### Digital Financial Revolution

The digital financial revolution is a fundamental transformation in the way we interact with digital assets and conduct financial transactions. The digital financial revolution emphasizes the role of blockchain technology and crypto assets in changing the global financial landscape. Chris Skinner, a writer and thinker in the field of digital finance, calls the digital financial revolution a dramatic change in financial technology driven by digital innovation (Zeng & Li, 2023). According to him, this revolution involves the use of technologies such as big data, artificial intelligence, and blockchain technology to create financial services that are more efficient and accessible to everyone. In general, the digital financial revolution can be defined as a deep transformation in the financial industry driven by advances in digital technology. This includes changes in the way we transact, invest and manage finances overall. This definition reflects a significant shift from conventional business models towards more efficient, inclusive and innovative ones (Bede Uzoma et al., 2020).

The digital financial revolution enables broader financial inclusion. With digital technology, individuals and groups that were previously difficult to reach by traditional financial services can have easier access to bank accounts, financing and other financial services (Wahyuni et al., 2023). Digital financial systems enable higher operational efficiency for financial institutions and businesses. Transactions can be carried out quickly, administrative costs can be reduced, and operational processes can be optimized through automation. The digital financial revolution is driving innovation in financial products and services. The emergence of fintech brings new solutions, such as digital payments, peer-to-peer lending, robo-advisory investments, and cryptocurrencies, which provide better variety and options for consumers (A. Gunawan et al., 2023).

**Sharia Fintech**

Sharia fintech is a form of technological financial service that operates based on Sharia principles in Islam. This involves leveraging digital technology to provide financial solutions that comply with Islamic law, which prohibits riba (interest), uncertainty (gharar), and investment in sectors considered haram (forbidden) (Menne et al., 2022). One of the main principles of Sharia Fintech is the prohibition of usury. Therefore, Sharia Fintech institutions or platforms offer interest-free financing products, such as consumer financing, micro financing, or property financing that comply with Sharia principles. Sharia fintech also involves investment platforms that operate in accordance with Sharia principles (Wirani & Ibrahim, 2022). This includes offering investments in halal financial instruments, such as Sharia-compliant shares, sukuk and other appropriate financial instruments. Sharia Fintech platforms emphasize transparency and business ethics. They are committed to providing clear information about their products and services, as well as ensuring that their business operates in accordance with Islamic ethical values. Like conventional Fintech, Sharia Fintech also adopts technological innovation. This includes the use of artificial intelligence, big data analysis, and blockchain technology to improve operational efficiency and transaction security (Mujiatun et al., 2022).

**Economic transformation based on Sharia principles**

Economic transformation based on Sharia principles is a fundamental change in the economic system that is oriented and regulated by Islamic values and principles. This involves the application of Sharia principles, which originate from Islamic law, in all aspects of the economy, from banking and finance to investment and business (Research et al., 2021). Economic transformation based on Sharia principles includes the development of financial institutions that operate in accordance with Sharia principles, which involves prohibitions on riba (interest), uncertainty (gharar), and prohibitions on investment in haram sectors. Sharia banking products involve interest-free financing, contracts that comply with Sharia principles, and the application of fair financial mechanisms. An economy based on Sharia principles emphasizes sustainable investment that follows Islamic ethics. Economic transformation based on Sharia principles includes investment in sectors that support the environment, society and Islamic values in general. Companies that engage in business practices that conflict with Sharia principles are avoided (Halim, 2023). This transformation fights for economic empowerment through financial inclusion and support for economic sectors that can empower society. Small and medium enterprises (SMEs) are given special attention, because they are considered economic pillars that can improve community welfare.

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Economic transformation based on Sharia principles aims to create an economy that is fairer, more sustainable and in accordance with Islamic values. This involves the involvement of all stakeholders, including government, financial institutions, business and society, to achieve economic development goals in accordance with Islamic principles of justice and prosperity (Hidayatullah, 2020).

**Method**

The type of research used in this research is literature study. Literature review is a form of research or review that involves analysis and synthesis of literature or previous studies that are relevant to a particular research topic or problem. This research uses literature studies and previous research studies sourced from journal articles, proceedings and other scientific sources. Apart from that, the author conducted market surveys, transactional data analysis, and case studies from various Sharia Fintech platforms in Indonesia.

**Result and Discussion**

**Digital Financial Revolution**

The development of the digital financial revolution in Indonesia has experienced rapid progress in recent years. Various initiatives and technological developments have shaped the digital financial landscape in Indonesia. The use of digital payments, such as digital wallets and electronic money, has increased significantly in Indonesia. Digital payment platforms such as GoPay, OVO, Dana, and LinkAja are becoming popular among the public, enabling online payments, money transfers, and practical product purchases. Based on data from Bank Indonesia (BI), throughout April 2023 the value of digital banking transactions in the country reached IDR 4,264.8 trillion or almost IDR 4.3 quadrillion. This value includes various digital banking transactions or digital banking according to the classification of the Financial Services Authority (OJK), namely internet banking, SMS/mobile banking, and telephone banking..

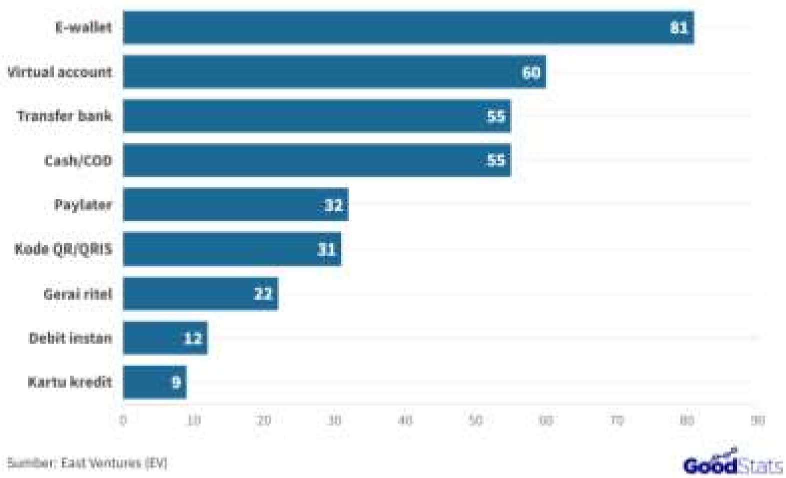


Figure 1. The most used payment methods in 2023

Based on Figure 1 above, we can see the growth of digital payments based on type, e-wallet payments show the number of digital payments that are most in demand among other types of digital payments. E-wallet payments include digital payment platforms such as GoPay, OVO, Dana, and LinkAja and others.

The increase in the use of digital payments is a significant and rapid trend in many countries, including Indonesia. Various factors have contributed to the popularity of digital payments, which provide a faster, safer and more convenient alternative to traditional payments. There are several things that are trending towards increasing the use of digital payments in Indonesia:

1. Digital Wallet and Electronic Money
   The use of digital wallets and electronic money has skyrocketed in Indonesia. Platforms such as GoPay, OVO, Dana, and LinkAja have become an integral part of people's daily lives. This digital wallet allows users to make payments in various places, from retail stores to online bill payments.
2. Ease of Transactions
   Digital payments make it easy to carry out transactions. Users can pay bills, buy tickets, or make purchases of other goods and services without having to carry cash. This helps increase efficiency and convenience in the payment process.
3. Promotions and Discounts
   Many digital payment platforms offer special promotions and discounts for users who make transactions through their apps. This is an additional attraction for consumers to switch to digital payments to gain additional benefits.
4. Minimal contact in transactions
   Amidst concerns regarding the COVID-19 pandemic, digital payments offer a solution by providing transaction options without physical contact. This helps reduce the risk of transmitting the virus via physical banknotes or cards.
5. Increased Smartphone Penetration
   The growth in the use of digital payments is also in line with the increase in smartphone penetration in Indonesia. The more people have access to smart devices, the greater the potential for using digital payments.
6. Partnerships with merchants and Service
   Digital payment platforms collaborate with various merchants and service providers to increase digital payment acceptance. This includes the integration of digital payments in various sectors, including retail, restaurants, transportation and other service sectorsa.
7. Payment Service Innovation
   Continuous innovation in digital payment services also plays an important role. Technological developments such as Quick Response (QR) codes, payments using NFC (Near Field Communication) technology, and integration with artificial intelligence technology further enrich the user experience.

Furthermore, what is part of the development of the digital financial revolution in Indonesia is that the peer-to-peer lending fintech industry is growing rapidly in Indonesia. Loan platforms such as KoinWorks, Modalku, and Investree provide access to financing to individuals and small and medium enterprises (SMEs) who previously had difficulty getting loans from traditional banks. Fintech Peer-to-Peer (P2P) lending has experienced rapid development in Indonesia in recent years. P2P lending platforms provide alternative financing solutions that are faster and more flexible, especially for small and medium enterprises (SMEs) and individuals who find it difficult to obtain loans from traditional financial institutions.

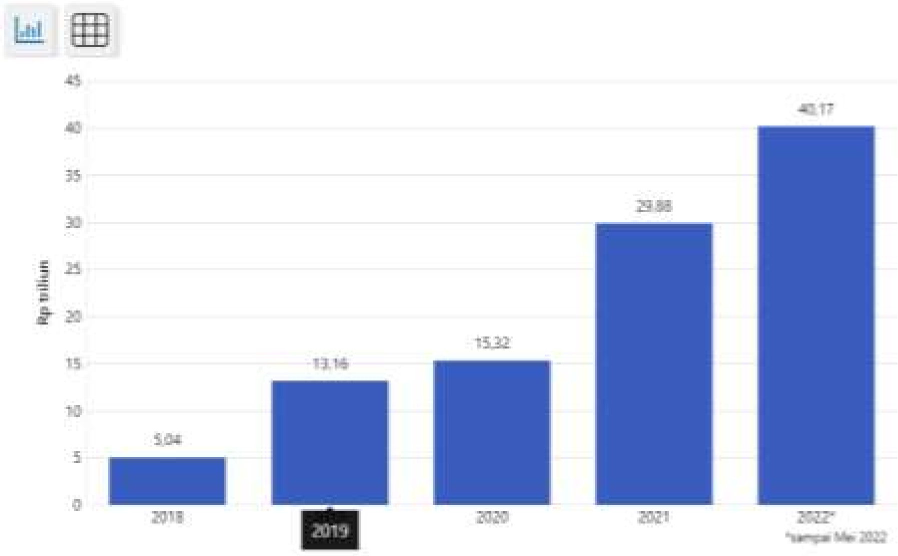


Figure 2. Funding Value Through Fintech P2P Lending (2018-2022)

Based on Figure 2 above, it can be seen that funding through fintech peer-to-peer (P2P) lending has grown significantly in the last five years. In 2018 the amount of funding through fintech lending reached IDR 5.04 trillion. Then, in the following years, the amount continued to rise and reached IDR 29.88 trillion in 2021. In May 2022, the total funding recorded about IDR 40.17 trillion. When compared with the 2018, this figure has grown by around 697%. Outstanding funds in circulation until May 2022, are centered on Java with the amount of IDR 32.38 trillion. Meanwhile, the amount is IDR 7.78 trillion outside Java.

The following are several points that have led to the development of P2P lending in Indonesia:

1. Growing Number of P2P Lending Platforms
   There has been a significant increase in the number of P2P lending platforms in Indonesia. Various fintech companies, such as KoinWorks, Modalku, Investree, Amartha, etc, have emerged to provide more accessible financing services.
2. Financing Access for SMEs
   One of the positive impacts of the development of P2P lending is providing access to financing SMEs who often have difficulty obtaining loans from conventional banks. This helps encourage the growth and development of the SME sector in Indonesia
3. Financing Product Innovation
   P2P lending platforms continue to innovate in presenting financing products. They offer a variety of loan types, including working capital loans, education loans, and consumer loans, giving borrowers a wider choice.
4. Fast and Easy Loan Process
   One of the main advantages of P2P lending is the fast and easy lending process. Prospective borrowers can apply for loans online with simpler and less complicated requirements compared to the process at traditional banks.
5. OJK's Role in Regulation
   Otoritas Jasa Keuangan (OJK) has played an active role in regulating and supervising the P2P lending industry. The regulations implemented aim to protect consumer interests, minimize risks and ensure industry sustainability.
6. Collaboration with Traditional Financial Institutions

Several P2P lending platforms have collaborated with traditional financial institutions to expand services and support business growth. This collaboration may include co-financing or other partnership programs.

7. Financial Inclusion
   P2P lending plays an important role in increasing financial inclusion in Indonesia. They provide access to financing to individuals and businesses outside the banking system, including those in remote areas or with limited credit histories.
8. Technological Advancement.
   The use of technology such as artificial intelligence (AI) and data analysis continues to grow in the P2P lending industry. This helps the platform to more effectively assess credit, manage risk, and provide a more personalized experience to users.
9. Development of Sharia P2P Fintech
   Apart from conventional P2P lending, there is the development of Sharia P2P fintech in Indonesia which follows Islamic financial principles. This provides an option for Muslim communities who want financing that is in line with Sharia values.

Furthermore, the important part of the digital financial revolution in Indonesia is the regulations that control it. The Indonesian government is aware of the importance of regulations in managing digital financial development in Indonesia. Otoritas Jasa Keuangan (OJK) has issued regulations to supervise and regulate the fintech sector, including P2P lending. These regulations aim to protect consumers, minimize risks and ensure the continued development of the fintech industry. There are several fintech regulatory policies in Indonesia:

1. OJK Regulation No. 77/POJK.01/2016
   This regulation was issued in 2016 and is the basis for regulations for fintech activities in Indonesia. This regulation includes a number of provisions, including licensing requirements, risk limitations, consumer protection and corporate governance.
2. OJK Regulation No. 77/POJK.01/2017
   This regulation regulates digital financial innovation in the financial services sector, including fintech. This regulation provides a legal basis for fintech companies to develop and launch new digital financial innovations.
3. OJK Regulation No. 13/POJK.02/2018
   This regulation sets out further provisions related to the governance and internal control of fintech companies. This includes the requirement to have effective risk management, as well as ensuring data security and confidentiality.
4. OJK Regulation concerning Fintech P2P Lending (RMO) No. 13/POJK.02/2018
   This regulation specifically regulates P2P lending fintech operations. Including licensing requirements, minimum capital requirements, provisions for the formation and management of escrow funds, as well as provisions for periodic reporting to the OJK.
5. OJK Regulation concerning Digital Financial Innovation (RMO) No. 13/POJK.02/2018
   This regulation facilitates digital financial innovation and provides a framework for fintech providers to apply for trials of new products or services before they are commercially launched.

**Sharia Fintech**

Sharia fintech in Indonesia is experiencing positive developments in line with increasing awareness of Sharia finance among the public. Sharia fintech integrates Islamic financial principles in its services and products, enabling Muslim communities to access financial solutions that comply with Sharia principles. Sharia Fintech offers a variety of financial products and services that comply with Sharia principles, including interest-free financing (mudharabah and musyarakah), Sharia insurance, Sharia-based investments, and payment solutions that capitulate with the provisions of Islamic law. The existence of Sharia Fintech helps increase public awareness of Sharia financial principles. Society is starting to pay more attention to financial aspects that are in accordance with Islamic values, such as the prohibition of usury (interest) and uncertainty (gharar).

Fintech P2P lending that follows Sharia principles is starting to develop. These platforms provide financing to individuals and SMEs by complying with the provisions of Islamic law, such as fair sharing of profits and risks. Several Sharia Fintechs have established partnerships with Sharia financial institutions, including banks and other Sharia financial institutions. This helps strengthen the Sharia financial ecosystem and expands access to Islamic financial services. Sharia Fintech also applies financial technology (fintech) to increase operational efficiency and provide more innovative financial solutions. Technologies such as blockchain, smart contracts, and data analysis are used to strengthen Sharia-compliant services.

Otoritas Jasa Keuangan (OJK) Indonesia has introduced special regulations to regulate Sharia Fintech. These regulations cover aspects such as licensing, governance and consumer protection, to ensure that the services provided comply with Sharia principles and relent with security standards. OJK Regulation no. 13/POJK.02/2018 concerning Digital Financial Innovation (RMO) provides a legal basis for digital financial innovation, including Sharia Fintech. This RMO covers aspects such as licensing, governance arrangements and consumer protection for Sharia Fintech. Furthermore, there is also OJK notification Number 1/PB.6/2016 concerning the Implementation of Sharia Information Technology-Based Financial Services (Sharia Information Technology-Based Financial Services). This document provides specific guidance regarding the implementation of Sharia information technology-based financial services.

The importance of Sharia Fintech in Indonesia is not only seen from the business perspective, but also as part of efforts to increase financial inclusion and public understanding of Islamic financial principles. Even though it is still in the development stage, Sharia Fintech in Indonesia shows the potential to develop in line with increasing demand and support from various parties.

Sharia fintech has an important role in Indonesia by bringing positive impacts to the society, the economy and the development of the financial industry. Sharia Fintech provides financial options that relent with Sharia principles to the Muslim community. This is essential due to the fact that Sharia principles prohibit usury (interest) and transactions that contain uncertainty (gharar). Furthermore, Sharia Fintech provides an alternative that is more in line with religious values and plays a significant role in increasing financial inclusion by providing access to people who were previously unreachable by conventional financial institutions. Especially for those who choose Sharia-based financial products, Sharia Fintech enables wider participation in the financial ecosystem.

By providing Sharia-based financing, Sharia Fintech can help empower the community's economy. This applies to micro, small and medium enterprises (MSMEs) who can gain access to financing without violating Sharia principles. Sharia fintech also contributes to increasing Sharia financial literacy among the public. By providing information and education about Sharia financial products and services, Sharia Fintech helps increase public understanding of Islamic financial principles. By supporting Sharia finance, Sharia Fintech also plays a role as a driver of Sharia economic growth in Indonesia. This includes support for sectors such as Sharia banking, Sharia insurance and Sharia-based investment.

The importance of Sharia Fintech in Indonesia is not only limited to financial aspects, but also includes social dimensions and the values of justice promoted by Sharia principles. With the continued development of this industry, it is hoped that Sharia Fintech will continue to be a driving force for financial inclusion and Sharia economic growth in Indonesia.

**Economic Transformation Based on Sharia Principles in Indonesia**

Economic transformation based on Sharia principles in Indonesia has experienced positive developments, covering various economic sectors that reflect the implementation of Islamic values in economic activities. Economic transformation based on sharia principles in Indonesia is marked by the era of the sharia banking industry in Indonesia experiencing significant growth. Sharia banks and business units in conventional banks provide banking services that comply with Sharia principles, including interest-free financing (mudharabah and musyarakah), and investment products that follow the provisions of Islamic law. Apart from that, the growth of the Sharia capital market in Indonesia is also experiencing rapid development. The existence of financial instruments such as Sharia sukuk, Sharia shares and Sharia mutual funds provide investment alternatives that comply with Sharia principles.. Apart from that, the Sharia insurance industry is growing and developing with the existence of various insurance products that comply with Sharia principles. This includes life insurance, health insurance and general insurance products that comply with the provisions of Islamic law.

Sharia economic transformation also includes efforts to increase access to financing for micro, small and medium enterprises (MSMEs). Sharia financial institutions and Sharia fintech play a role in providing financing in accordance with Sharia principles. Apart from that, the Sharia property industry in Indonesia is also experiencing development. Sharia housing financing schemes and the development of property projects using Sharia principles are increasingly receiving attention from consumers.

With the development of sharia-based economic principles, the government and regulators, such as the Otoritas Jasa Keuangan (OJK), continue to encourage the development of the Sharia financial ecosystem by formulating regulations and policies that support the growth of this sector. Besides that, public awareness of Sharia financial values is increasing. This is reflected in higher demand for financial products and services that comply with Sharia principles.

The development of economic transformation based on Sharia principles in Indonesia reflects efforts to integrate Islamic values in various aspects of economic life. With support from various parties, including the government, financial institutions and society, it is hoped that this transformation can continue to develop and have a positive impact on financial inclusion and sustainable economic development.

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**Conclusion**

Based on the results of the research and discussion, it can be concluded that the development of the digital financial revolution in Indonesia has experienced rapid progress in the last few years, this is marked by the growth and development of the digital financial industry including digital wallets and also P2P landing as well as increasingly mature supporting regulations. Along with the development of the digital financial revolution, the development of Sharia Fintech is growing and developing rapidly, which is marked by increasing awareness of the public and MSMEs in using Sharia Fintech which is free from interest and usury. The digital financial revolution was also followed by economic transformation based on Sharia principles which experienced positive developments, this includes various economic sectors that reflect the implementation of Islamic values in economic activities. Economic transformation based on sharia principles in Indonesia is marked by the industrial era of sharia banking and sharia business units in conventional banks. Apart from that, the Sharia capital market in Indonesia is also experiencing rapid development and the Sharia insurance industry is also growing and developing.

This research has several limitations, including the availability of data relating to information or data may be inaccessible or incomplete, besides that the research point of view may only cover certain perspectives, such as the consumer perspective or business perspective. This can cause limitations in understanding the overall impact. The implication of this research is that the research results can be used as a basis for the government to further support and encourage the development of Sharia Fintech. The right policies and incentives from the government can help create a conducive environment for the growth of the digital finance industry. This research is also expected to encourage the development of more precise and comprehensive regulations related to Sharia Fintech. Good regulations can ensure consumer protection, security and sustainability of the Sharia Fintech industry.

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