
The Regulation of Islamic Fintech in Indonesia: Harmonizing Sharia Principles, Consumer Protection, and Positive Law**Muhammad Amar Adly¹ Rofiqotul Husna Hasibuan²**¹UIN Sumatera Utara, Medan, Indonesia¹UIN Sumatera Utara, Medan, IndonesiaEmail: Amaradly73@yahoo.com¹ rofiqotulhusna19@gmail.com²

Info Articles	Abstract
Article History Received : 20-09-2026 Revised : 28-09-2026 Published: 09-10-2026 Keywords: <i>Islamic Fintech; Consumer Protection; Financial Services Authority; DSN-MUI Fatwa; Dispute Resolution;</i>	<i>Sharia financial technology in Indonesia is governed by three regimes that were built separately: the fatwas that define sharia compliance, the financial services regulations that license and supervise providers, and the consumer protection framework that addresses conduct. Each functions on its own terms, and the points at which they fail to meet are where consumers are harmed. This study analyses the regulatory architecture of Indonesian Islamic fintech, examines the channel through which fatwa-derived standards acquire binding force, assesses the adequacy of consumer protection against the purposes of the classical prohibitions, and evaluates the coherence of dispute resolution. The research is normative juridical and doctrinal, using statutory, conceptual, and case approaches, supported by maqasid reasoning and by comparison at the level of regulatory technique. Compliance is defined by fatwas that have no place in the hierarchy of norms and is verified at the level of contractual form rather than of product economics and interface design. Consumer protection instruments are generic and do not track the harms the classical prohibitions targeted. Dispute resolution is fragmented between the religious courts, whose competence over sharia economic disputes is absolute, and the alternative institutions and arbitration clauses that platform contracts routinely specify. The validity channel for fatwa should be formalised, compliance should be audited at the level of system design, protective standards should be calibrated to demonstrable harm, and the relationship between the religious courts and alternative forums should be clarified by statute.</i>

I. INTRODUCTION

Financial technology has changed the way Indonesians borrow, invest, and pay, and the sharia segment of that market has grown alongside the conventional one. Platforms offer financing structured on classical contracts, invite investment in sharia-screened instruments, and market themselves on compliance as a product attribute. The regulatory response has been rapid but compartmentalised. The financial services authority licenses and supervises information-technology-based joint funding services, including those operating on sharia principles.¹ Financial sector legislation enacted in 2023 established a framework for technological innovation in finance and reorganised supervisory competences.² The National Sharia Council has issued the fatwa that defines what sharia compliance means for

¹ Financial Services Authority Regulation No. 10/POJK.05/2022 concerning Information Technology-Based Joint Funding Services, Articles 1 and 3.

² Republic of Indonesia, Law No. 4 of 2023 concerning the Development and Strengthening of the Financial Sector, Articles 205–213.

such services, alongside earlier fatwas on electronic money.³ Consumer protection is addressed by general legislation and by sectoral regulation on the protection of consumers and the public in the financial services sector.⁴

Each of these instruments performs its function. The difficulty lies in the joins. The fatwa determines compliance but is not a source of law within the hierarchy of Indonesian legislation; the sectoral regulation imposes obligations but does not itself define the sharia standard; the consumer protection framework addresses conduct in general terms that do not track the specific harms the classical prohibitions were designed to prevent; and the forum in which a dispute is to be resolved is contested between the religious courts, whose competence over sharia economic disputes has been confirmed as absolute, and the alternative institutions that platform contracts habitually designate.⁵

The consequences are practical. A consumer who believes a product to be sharia compliant relies on a representation whose verification occurs outside the legal instrument that binds the provider. A provider that implements a fatwa-derived standard in software has no authoritative guidance on what compliance requires at the level of system design. A regulator that sanctions misconduct does so under conduct standards that make no reference to the reasoning of the fatwa. And a court asked to resolve the resulting dispute may first have to determine whether it is the appropriate forum.

Scholarship on Indonesian Islamic fintech has grown quickly, concentrating on the substance of the applicable fatwas, on the contractual structures used, and on market development. Work on the positivisation of the fatwas of the National Sharia Council has identified the validity-channel problem in the banking context and, more recently, in the economic field generally.⁶ What remains underdeveloped is an integrated analysis that treats compliance definition, consumer protection, and dispute resolution as three components of a single regulatory architecture and asks whether they are mutually consistent.⁷

This article undertakes that analysis and asks four questions. First, how is sharia compliance defined and made binding for Indonesian fintech, and what is the legal status of the standard? Second, does the consumer protection framework address the harms that the classical prohibitions of usury, excessive uncertainty,

³ National Sharia Council of the Indonesian Ulema Council, Fatwa No. 117/DSN-MUI/II/2018 concerning Information-Technology-Based Financing Services Based on Sharia Principles; Fatwa No. 116/DSN-MUI/IX/2017 concerning Sharia Electronic Money.

⁴ Republic of Indonesia, Law No. 8 of 1999 concerning Consumer Protection, Articles 4, 7, and 19; Financial Services Authority Regulation No. 22 of 2023 concerning Consumer and Public Protection in the Financial Services Sector.

⁵ Constitutional Court of the Republic of Indonesia, Decision No. 93/PUU-X/2012, 29 August 2013; Financial Services Authority Regulation No. 61/POJK.07/2020 concerning Alternative Dispute Resolution Institutions in the Financial Services Sector.

⁶ Yasardin and S. B. Kooria, "Revisiting the Compilation of Islamic Economic Law in Indonesia: Legal Challenges and Pathways to Harmonization," *JURIS: Jurnal Ilmiah Syariah* 24, no. 1 (2025): 130–34, <https://doi.org/10.31958/juris.v24i1.13736>.

⁷ A. Malthuf Siroj, Ismail Marzuki, and Elkhairati, "Transformation and Future Challenges of Islamic Law in Indonesia," *Al-Istinbath: Jurnal Hukum Islam* 8, no. 1 (2023): 104–9, <https://doi.org/10.29240/jhi.v8i1.6618>.

and gambling were designed to prevent, as those harms appear in digital form? Third, how coherent is the allocation of jurisdiction over disputes arising from sharia fintech? Fourth, what reforms would harmonize the three components?

The contribution is an integrated architectural analysis, a reframing of consumer protection as the contemporary instrument of the classical prohibitions rather than as an external addition to them, and a set of four reform proposals addressed to identifiable instruments.

II. LITERATURE REVIEW AND THEORETICAL FRAMEWORK

The classical law of transactions supplies the first framework. The prohibitions that structure Islamic finance were formulated against identifiable harms rather than as arbitrary restrictions: usury addresses unearned increment and the exploitation of need; excessive uncertainty addresses the sale of what is unknown or not possessed, and thus the allocation of risk to a party who cannot assess it; gambling addresses gain derived from pure chance.⁸ The contracts used in contemporary sharia fintech sale at a disclosed mark-up, leasing, agency for a fee, benevolent loan, and profit-sharing partnerships are the classical forms through which financing is structured so as to avoid those harms.⁹

The theory of purposes supplies the second framework. The protection of property is one of the essential interests, and the jurists treated the security of transactions, the documentation of obligations, and protection against deception as means to it.¹⁰ Two implications follow for the present analysis. The first is that compliance must be assessed by reference to the harm avoided, not only to the label applied, since a product that reproduces the economics of a prohibited transaction under a permitted name defeats the purpose of the rule.¹¹ The second is that instruments of consumer protection disclosure, cooling-off, limits on charges, restrictions on collection practices, and control over personal data are not foreign impositions on Islamic finance but the modern means by which its purposes are pursued.

The third framework is regulatory theory. The literature on information asymmetry explains why disclosure alone is insufficient where the product is complex and the consumer's attention is scarce, and the behavioural literature explains why the design of an interface can determine outcomes more powerfully than the terms of a contract.¹² Fuller's requirements of promulgation and clarity are engaged where the operative standard is contained in a document that the addressee cannot readily locate, and Lessig's observation that architecture regulates

⁸ Mohammad Hashim Kamali, *Shari'ah Law: An Introduction* (Oxford: Oneworld, 2008), 191–200.

⁹ Wael B. Hallaq, *Shari'a: Theory, Practice, Transformations* (Cambridge: Cambridge University Press, 2009), 239–48.

¹⁰ Abū Ishāq al-Shāṭibī, *al-Muwāfaqāt fī Uṣūl al-Sharī'a* (Cairo: Dār Ibn 'Affān, 1997), 2:17–25.

¹¹ Jasser Auda, *Maqasid al-Shariah as Philosophy of Islamic Law: A Systems Approach* (London: International Institute of Islamic Thought, 2008), 248–50.

¹² Lawrence Lessig, *Code: Version 2.0* (New York: Basic Books, 2006), 121–37.

conduct explains why compliance verified at the level of contractual form may not correspond to the consumer's experience.¹³

The fourth framework is the Indonesian scholarship on positivisation. Studies of the sharia banking regime have shown that the fatwa functions as the operative standard while remaining formally non-binding, and that regulators absorb its content without a defined mechanism; more recent work has traced the same pattern across the sharia economic field and has described the resulting risk to legal certainty.¹⁴ Research on religious court practice supplies the complementary observation that judges deciding sharia economic disputes apply a mixture of statute, the compilation of sharia economic law, and fatwa-derived reasoning.¹⁵

The gap addressed here lies between these literatures. Each component of the architecture has been studied, but their interaction has not. The specific claim advanced in this article is that the three failures observed in practice unverifiable compliance claims, generic consumer protection, and contested jurisdiction are manifestations of a single structural feature: the standard that defines the product is produced outside the legal system that enforces obligations arising from it.

III. RESEARCH METHOD

This study is normative juridical research, doctrinal in technique and prescriptive in orientation.¹⁶ It reconstructs the applicable norms, tests their coherence, and proposes reforms.

The statutory approach examines the legislation on sharia banking and on the financial sector, the regulations of the financial services authority on information-technology-based joint funding and on consumer protection, the legislation on consumer protection and personal data, and the fatwas that define sharia compliance for these services. The conceptual approach clarifies the relations among compliance, supervision, protection, and adjudication. The case approach is applied to the constitutional decision that settled the competence of the religious courts over sharia economic disputes, because that decision determines the forum in which the other components are ultimately tested.¹⁷ Comparison is used at the level of technique rather than jurisdiction, drawing on arrangements in which the determination of sharia compliance is expressly allocated and made binding, in

¹³ Lon L. Fuller, *The Morality of Law*, rev. ed. (New Haven: Yale University Press, 1969), 39–62; Lessig, *Code*, 121–37.

¹⁴ Yasardin and Kooria, "Revisiting the Compilation of Islamic Economic Law," 132–34; Yeni Salma Barlinti, "Harmonization of Islamic Law in National Legal System: A Comparative Study Between Indonesian Law and Malaysian Law," *Indonesia Law Review* 1, no. 1 (2011), <https://doi.org/10.15742/ilrev.v1n1.95>.

¹⁵ Euis Nurlaelawati, *Modernization, Tradition and Identity: The Kompilasi Hukum Islam and Legal Practice in the Indonesian Religious Courts* (Amsterdam: Amsterdam University Press, 2010), 175–90; Supreme Court Regulation No. 2 of 2008 concerning the Compilation of Sharia Economic Law.

¹⁶ Peter Mahmud Marzuki, *Penelitian Hukum*, rev. ed. (Jakarta: Kencana, 2017), 55–60.

¹⁷ Constitutional Court Decision No. 93/PUU-X/2012, 29 August 2013.

order to isolate the variable that Indonesian law leaves unresolved.¹⁸ Islamic legal methodology is applied internally, with the purposes of the classical prohibitions supplying the criterion against which protective measures are assessed.

Primary legal materials comprise Law No. 21 of 2008 concerning Sharia Banking; Law No. 8 of 1999 concerning Consumer Protection; Law No. 27 of 2022 concerning Personal Data Protection; Law No. 4 of 2023 concerning the Development and Strengthening of the Financial Sector; Law No. 12 of 2011 concerning the Formation of Legislation as amended; Financial Services Authority Regulation No. 10/POJK.05/2022 concerning Information Technology-Based Joint Funding Services; Financial Services Authority Regulation No. 22 of 2023 concerning Consumer and Public Protection in the Financial Services Sector; Financial Services Authority Regulation No. 61/POJK.07/2020 concerning Alternative Dispute Resolution Institutions in the Financial Services Sector; Supreme Court Regulation No. 2 of 2008 concerning the Compilation of Sharia Economic Law and Supreme Court Regulation No. 14 of 2016 concerning the procedure for sharia economic disputes; Constitutional Court Decision No. 93/PUU-X/2012; and Fatwas No. 116/DSN-MUI/IX/2017 and No. 117/DSN-MUI/II/2018 of the National Sharia Council. Secondary and tertiary materials are peer-reviewed literature, monographs, works of *uṣūl al-fiqh*, and reference works.

The analysis maps the architecture, traces the validity channel for the compliance standard, tests protective instruments against the purposes of the classical prohibitions, examines the allocation of adjudicative competence, and formulates reforms. The study does not generate original empirical data; claims about market conduct rely on published regulatory and scholarly sources.

IV. RESULTS AND DISCUSSION

A. The Architecture: Three Regimes and Their Joins

The Indonesian regulation of sharia fintech is produced by three distinct regimes.

The first defines compliance. The National Sharia Council issues fatwas specifying the contracts that may be used, the permissible forms of remuneration, and the conditions attaching to each; the fatwa on information-technology-based financing services based on sharia principles is the operative instrument for lending platforms, and the fatwa on sharia electronic money governs payment instruments.¹⁹ These determinations are produced by a body constituted within a religious organisation, according to its own procedure.

The second licenses and supervises. The financial services authority regulates information-technology-based joint funding services, establishing capital, governance, reporting, and conduct requirements, including the obligation of sharia-operating providers to maintain a sharia supervisory board; financial sector

¹⁸ Konrad Zweigert and Hein Kötz, *An Introduction to Comparative Law*, 3rd ed., trans. Tony Weir (Oxford: Clarendon Press, 1998), 34–47; Barlinti, “Harmonization of Islamic Law in National Legal System.”

¹⁹ Fatwa No. 117/DSN-MUI/II/2018; Fatwa No. 116/DSN-MUI/IX/2017.

legislation supplies the statutory foundation and provides for regulatory sandboxes for technological innovation in finance.²⁰

The third protects consumers. General consumer protection legislation imposes duties on business actors and confers rights on consumers; sectoral regulation elaborates these for financial services, addressing information, marketing, complaint handling, and conduct in the collection of obligations; the personal data regime governs the processing on which credit assessment depends.²¹

Regime	Producing body	Instrument	Binding force
Compliance definition	National Sharia Council	Fatwa	Not in the hierarchy of norms
Licensing and supervision	Financial services authority	Authority regulation	Binding, statute-based
Consumer protection	Legislature and authority	Statute and regulation	Binding

Table 1. The three regimes governing Indonesian sharia fintech

The joins are the problem. Between the first and second regimes lies the validity channel: the authority's regulation requires sharia-operating providers to operate in accordance with sharia principles, but the content of those principles is determined elsewhere, and the mechanism by which that content becomes legally binding is not specified in the hierarchy of legislation.²² Between the second and third lies the calibration problem: conduct standards are drafted for financial services generally and do not incorporate the reasoning of the fatwa, so that a product may satisfy conduct requirements while defeating the purpose of the prohibition it claims to observe. Between the third and adjudication lies the forum problem examined below.

B. The Validity Channel and the Limits of Formal Compliance

The compliance standard reaches the provider through two mechanisms, neither of which is a source of law in the formal sense. The first is internal: the provider's sharia supervisory board reviews products against the fatwas and issues opinions. The second is administrative: the authority refers to sharia principles in its regulation and takes the fatwa as the reference for what those principles require. The result is that the operative norm binds in practice and does not bind in form, a condition that Indonesian scholarship has documented in the banking sector and that reappears here in an aggravated version, because the product is delivered through software.²³

²⁰ Financial Services Authority Regulation No. 10/POJK.05/2022, Articles 3, 20, and 42; Law No. 4 of 2023, Articles 205–213.

²¹ Law No. 8 of 1999, Articles 4, 7, and 19; Financial Services Authority Regulation No. 22 of 2023; Law No. 27 of 2022 concerning Personal Data Protection, Articles 16 and 20–26.

²² Law No. 12 of 2011 concerning the Formation of Legislation, as amended by Law No. 15 of 2019 and Law No. 13 of 2022, Article 7(1); Law No. 21 of 2008 concerning Sharia Banking, Articles 1(12) and 26.

²³ Yasardin and Kooria, "Revisiting the Compilation of Islamic Economic Law," 132–34.

Two consequences deserve emphasis. The first is reviewability. If a consumer disputes a compliance claim, the court must evaluate a standard whose authorship lies outside the legal system; it may defer, in which case the claim is effectively unreviewable, or it may evaluate the fatwa, for which it claims no competence. Neither outcome is satisfactory, and the difficulty is structural rather than a failure of any particular judge.

The second is the level at which compliance is verified. Review by a sharia supervisory board is conducted on documents: the contract, the product description, the schedule of charges. But in a digital product the consumer's obligations are constituted by the interface the default selections, the presentation of charges, the sequence in which consent is obtained, the automated decisions about eligibility and pricing. A product whose contract names a permitted contract and whose interface produces the economic effect of a prohibited one is compliant on review and non-compliant in substance. The purposes analysis requires that compliance be assessed where the transaction actually occurs.

The reform that follows is precise. First, the validity channel should be formalised by statute: a fatwa should be recognised as a material source that becomes binding only through a reasoned act of adoption by the authority, with the act of adoption, and not the fatwa, being the object of judicial review. Second, sharia compliance should be audited at the level of system design, with documentation of how the standard is implemented in the product logic, retained and available to the supervisor.

C. Consumer Protection as the Contemporary Instrument of the Classical Prohibitions

The third finding reframes consumer protection. The classical prohibitions targeted identifiable harms; the question for a digital market is where those harms now appear.

Unearned increment on a loan reappears as fee structures that replicate the economics of interest under other names. The relevant protective technique is not nomenclature review but the disclosure of total cost in comparable terms and the regulation of aggregate charges; the authority's power to limit the economic benefit chargeable by funding platforms is, in substance, the modern instrument for the purpose the classical prohibition served.²⁴

Excessive uncertainty reappears as complexity that prevents the consumer from understanding the allocation of risk. The protective techniques are standardised disclosure, plain-language summaries at the point of decision, and restrictions on product features whose risk cannot be communicated intelligibly. Generic disclosure obligations do not achieve this where the decision is made in seconds on a small screen.²⁵

²⁴ Financial Services Authority Regulation No. 10/POJK.05/2022, provisions on the economic benefit chargeable to users and on the authority's power to determine its limits; Kamali, *Shari'ah Law*, 191–200.

²⁵ Financial Services Authority Regulation No. 22 of 2023, provisions on information and marketing; Law No. 8 of 1999, Articles 7–9.

Gain from pure chance reappears in gamified engagement mechanics, in incentives that reward frequency of borrowing, and in referral structures whose returns depend on recruitment. Existing conduct regulation addresses misleading marketing but not the design of engagement, which is where the harm is generated.

Exploitation of need, the underlying concern of the prohibition of usury, reappears in collection practices and in the use of personal data. Sectoral regulation now addresses conduct in the collection of obligations, and the personal data regime restricts the processing of data and confers a right to object to decisions based solely on automated processing.²⁶ These provisions protect the purposes of the classical rules more directly than any review of contractual form.

The analytical conclusion is that the protective framework and the compliance framework are addressed to the same purposes but do not speak to one another. Harmonization here means drafting protective standards that state expressly which harm they address, so that a provider claiming compliance must satisfy both the formal and the functional requirement.

D. The Forum Problem

The fourth finding concerns adjudication. The Constitutional Court removed the statutory explanation that had permitted parties to sharia banking contracts to choose the district court, confirming that competence over sharia economic disputes belongs to the religious courts; the Supreme Court has supplied those courts with a substantive compilation and a procedural regulation for such disputes.²⁷ Sharia fintech disputes fall within the same category of sharia economic disputes.

Two complications arise. The first is the alternative dispute resolution framework: financial services regulation requires providers to participate in an authorised alternative dispute resolution institution for the sector, and consumer complaints are channelled accordingly.²⁸ The second is contractual: platform terms routinely designate arbitration or an alternative institution. These arrangements are not in themselves inconsistent with the religious courts' competence, since parties may agree to alternative resolution and since consumer complaint mechanisms operate before litigation. But the boundary is undefined. It is unclear whether a consumer who has used the sectoral mechanism retains full access to the religious court, how an award rendered by an alternative institution is executed where the underlying dispute is a sharia economic dispute, and whether a standard-form arbitration clause in a consumer contract is effective against the absolute competence rule.

The reform proposed is statutory clarification: that alternative resolution in the financial services sector operates without prejudice to the competence of the religious courts; that execution of awards in sharia economic disputes is sought in the religious court; and that arbitration clauses in consumer contracts require the

²⁶ Financial Services Authority Regulation No. 22 of 2023, provisions on the conduct of collection; Law No. 27 of 2022, Articles 10, 16, and 20–26.

²⁷ Constitutional Court Decision No. 93/PUU-X/2012, 29 August 2013; Supreme Court Regulation No. 2 of 2008; Supreme Court Regulation No. 14 of 2016 concerning the Procedure for the Settlement of Sharia Economic Disputes.

²⁸ Financial Services Authority Regulation No. 61/POJK.07/2020, Articles 3 and 10.

consumer's specific agreement after the dispute arises, which is the standard already familiar from consumer protection practice in other systems.

E. Comparative Reference: Who Determines Compliance, and Who May Review It

The Indonesian difficulty is a particular instance of a general regulatory choice, and comparison isolates it. Every system that regulates Islamic finance must decide whether the determination of sharia compliance is a question of law, and therefore reviewable by courts applying ordinary standards of reasoning, or a question of religious expertise, and therefore insulated from such review.

Malaysia chose insulation and made the choice expressly. Statutory provisions require the civil courts and arbitrators to refer questions of sharia arising in Islamic financial business to a designated advisory council and make its rulings binding on the referring court; the arrangement was challenged on the ground that it transfers judicial power to a non-judicial body, and it was upheld by a narrow majority of the Federal Court on the reasoning that the council ascertains Islamic law rather than exercising judicial power.²⁹ Whatever view is taken of that reasoning, the Malaysian position has two features Indonesia lacks: the channel through which the determination becomes binding is stated in a statute, and the consequences of the choice, including the limitation on judicial review, were debated and decided openly.

The Indonesian arrangement produces a different combination. The determination is not formally binding, yet it operates as the effective standard; it is not insulated from review, yet it is practically unreviewable because no instrument identifies it as the object of review. The system therefore incurs the costs of insulation without making the choice that would justify them, and without the accountability that an express statutory channel would bring.

The comparison supports the reform proposed here rather than the Malaysian model itself. Indonesia need not make advisory determinations binding on courts; what it must do is identify the act by which a fatwa-derived standard acquires binding force, require that act to be reasoned and published, and make that act an administrative decision of an accountable authority the object of ordinary judicial review. This preserves the doctrinal role of the fatwa body while locating legal responsibility where the constitution places it.

F. A Harmonization Agenda

The findings support four reforms, each addressed to an identifiable instrument.

A word should be said about sequencing, since the four reforms are not equally urgent and do not depend on one another equally. Formalising the validity channel is foundational: until the legal status of the compliance standard is settled, auditing compliance and calibrating protection both proceed on an uncertain basis. Clarifying the forum is the most self-contained measure and could be enacted independently.

²⁹ Central Bank of Malaysia Act 2009 (Act 701), sections 56–57; *JRI Resources Sdn Bhd v Kuwait Finance House (Malaysia) Bhd*, Federal Court of Malaysia, decision of 10 April 2019; Barlinti, "Harmonization of Islamic Law in National Legal System."

System-level auditing is the most technically demanding and would benefit from a supervised trial within an innovation sandbox before general application.

Formalise the validity channel. Amend the financial sector legislation to provide that standards derived from fatwa bind only through a reasoned act of adoption by the authority, published with reasons and subject to review.

Audit compliance at the level of system design. Require sharia-operating providers to document how the adopted standard is implemented in product logic and interface, and extend the mandate of the sharia supervisory board accordingly.

Calibrate protection to harm. Draft sectoral conduct standards that state the harm addressed total cost, comprehensibility of risk allocation, engagement design, collection conduct, data use so that the protective instrument and the compliance standard are aligned in purpose.

Clarify the forum. Provide by statute for the relationship between the religious courts, sectoral alternative dispute resolution, and arbitration in sharia economic disputes, including the execution of awards and the validity of pre-dispute arbitration clauses in consumer contracts.

Problem	Reform	Instrument
Fatwa binds in practice, not in form	Reasoned adoption by the authority	Financial sector legislation
Compliance verified on documents only	System-level audit and documentation	Authority regulation
Generic conduct standards	Harm-specific protective standards	Authority regulation
Contested jurisdiction	Statutory allocation and execution rule	Statute

Table 2. Harmonization agenda for Indonesian sharia fintech

V. CONCLUSION

Indonesian sharia fintech is governed by three regimes that were constructed separately and have never been joined. Compliance is defined by fatwas produced outside the legal system and reaching providers through internal review and administrative reference rather than through a recognised source of law. Supervision is exercised under regulations that are binding but that do not themselves define the sharia standard. Consumer protection is provided by instruments that are generic and that do not name the harms the classical prohibitions targeted. Adjudication is allocated to the religious courts by constitutional decision, while contractual practice and sectoral mechanisms direct disputes elsewhere.

The consumer bears the cost of these disjunctions. A compliance claim is made in the market and verified outside the law; the conduct standards that could make the claim meaningful are drafted without reference to it; and the forum in which the claim might be tested is uncertain.

The analysis also yields a constructive result. The prohibitions of usury, excessive uncertainty, and gambling were directed at unearned increment, unintelligible risk allocation, exploitation of need, and gain from chance. In a digital market those harms appear as opaque fee structures, complexity beyond comprehension at the point of decision, aggressive collection and data exploitation, and engagement design that rewards repeated borrowing. The instruments of

consumer protection and data protection are therefore not external additions to Islamic financial regulation; they are the means by which its purposes are now achieved, and they should be drafted and interpreted as such.

Four reforms follow: formalise the validity channel by requiring a reasoned and reviewable act of adoption; audit sharia compliance at the level of system design rather than of documents alone; calibrate protective standards to the harms they address; and clarify by statute the relationship between the religious courts, sectoral dispute resolution, and arbitration.

Further research should measure outcomes for consumers of sharia and conventional platforms under comparable conditions, examine how sharia supervisory boards in fintech providers actually review automated products, and compare jurisdictions that have expressly allocated the authority to determine sharia compliance in order to assess the trade-off between doctrinal consistency and judicial reviewability.

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