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Sharia Digital Innovation Trend: OJK Involvement Changes Indonesia's Islamic Finance Landscape

Friska Najwa Narasita[1], Cory Vidiati[2]✉, Raisalam D. Angoy[3], Heru Cahyono[4], Abu Lubaba[5]

Universitas Islam bunga Bangsa Cirebon [1,2,4,5]
University of the Visayas, Vietnam[3]

Email: *friskanajwa36@gmail.com* [1]
coryvidiati@bungabangsacirebon.ac.id [2]
raisalam_angoy@uv.edu.ph[3]
herucahyono@bungabangsacirebon.ac.id[4]
abulubaba@gmail.com[5]

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Abstract

This paper explains that Islamic digital finance experiences a mechanical shift in implementation when there is financial technology innovation. A development strategy in line with Islamic law is essential to ensure that this innovation is not just an idea, but can also be implemented effectively according to the community's needs. Using a qualitative approach and secondary data as study material developed, compiled and concluded. The findings are that the Financial Services Authority (OJK) has shown commitment to strengthening the Islamic fintech ecosystem through various programs, such as Gebyar Safari Ramadhan and Ijtima' Sanawi, which have contributed to the Global Islamic Fintech Indicator ranking. In general, they have been unable to boost financial literacy and Islamic financial inclusion in the wider community. Another finding is the importance of developing Islamic digital financial innovations that are more inclusive and responsive to the needs of the halal food sector through the development of inclusive Islamic financial products and services, such as Sharia-based crowdfunding platforms and halal e-commerce with Sharia payments. The contribution of the findings is expected to map the weaknesses into the strengths of the global Islamic economy.

Keywords: Islamic finance industry trends, Islamic digital financial innovation, sustainable Islamic fintech ecosystem

INTRODUCTION

Following trends is one of the behaviours that can be good, and can be bad (Robertson 2023), and technology shift is one of the significant trends for organisations (Gomathy, Sarma, and Reddy 2023). Various innovations appear to adjust current technology. However, it is important to implement a technology strategy that aligns with Islamic law. Sharia compliance is a form of Islamic prudence for the community in developing skills and innovating with technology, especially if it is related to financial innovation. The purpose of maqoshid syariah is to be absolute for the community in implementing innovations in financial technology so that problems are obtained.

The potential of the large Muslim market plus the demographic bonus in Indonesia must be used as an opportunity for the development of Islamic digital technology. Products and services are evolving as well as the bank and non-bank financial sectors are evolving as technology evolves. It's just that the rapid development of technology must be equated with human resources skills. Still, limited digital literacy in most communities opens up criminal opportunities as well. The government seeks to minimize these opportunities with several regulations that accompany the acceleration of this digital technology. Surveillance is also carried out on all activities of organizations and individuals scattered in the digital world.

In Indonesia, the supervision of the bank and non-bank financial industry is carried out by the Financial Services Authority (OJK). As well as other countries such as Vietnam which has similar access to the OJK, namely the NFSC (Vietnam National Financial Services Commission) (Le 2021, 2021–25) which specifically analyzes, evaluates and forecasts the impact of financial markets on the macroeconomy and the impact of macroeconomic policies on financial markets; coordinates supervision of national financial markets (banking, securities, insurance), assists the Prime Minister in conducting general supervision of national financial markets. However, unlike Indonesia, which is predominantly Muslim, there is a similar institution of Sharia supervision from the Indonesian Ulema Council (MUI) through the Sharia Supervisory Board (DPS) in bank and non-bank financial institutions that have sharia units in their business lines to maintain the halal activities of these organizations.

OJK in Indonesia has carried out several Islamic digital financial innovation penetrations, including the implementation of Gebyar Safari Ramadhan and Ijtima' Sanawi, various programs and initiatives, including the introduction of digital platforms to MSMEs, the establishment of an ecosystem that facilitates collaboration between fintech (business matching) MSMEs and the Islamic financial industry, and the enhancement of the identity of Islamic financial services institutions through the creation of unique Islamic products and digitalization, demonstrating serious efforts in educating the public and bolstering the Islamic fintech ecosystem in Indonesia. This activity has a positive impact by enhancing the accessibility and efficiency of Islamic financial education and bolstering the Islamic fintech ecosystem. Consequently, this contributes to the growth of the Global Islamic Fintech Indicator, fortifying Indonesia's position in the global Islamic economic landscape. OJK aims to move beyond rhetoric and focus on the actual implementation of initiatives to promote digital literacy and minimize cyber crime among the public.

This research is different from others, it is more about the real steps of literacy and education of government support for the community to complete skills and business matching solutions for MSMEs.

RESEARCH METHODOLOGY

The paper uses a qualitative approach by exploring secondary data obtained from the internet, several tools are used to get gaps such as looking at connected papers and open knowledge maps, so that it has not found a common discussion.

RESULTS AND DISCUSSION

Technology Trend

Technological advancements are closely linked to innovative thinking and working methods in the creative industries. The availability of necessary tools; and technological restrictions affect the way we operate, starting with the way we interact with each other. When new tools and software appear regularly, it may seem impossible to stay awake and not be left behind. The most important thing is to find methods to understand and integrate them into daily tasks as routines as needed. Recent technology trends present a challenge to industry leaders. The advent of AI, such as DELL, Adobe Sensei, or Runway, for example, has the potential to save time and money while reducing barriers in the creative process (Ibrahim 2023). The capabilities of new technologies in the creative sector are constantly evolving. Higher levels of detail are generated, processing times are faster, and new fields for machine learning are emerging. When new technologies are brought into play, they often bring a lot of anticipation and hope, as well as controversy and anger. In addition to keeping up to date with leading tech media and new tools, taking a hands-on approach while maintaining a critical mindset is essential. The use of digital technologies varies according to the community and socio-economic status, willingness and readiness of the community/stakeholders, education level, and income of the country.

Trend of Islamic Finance Industry

Islamic economics (Kahf 2014) has the goal of Islamic law (maqashid sharia), to achieve happiness in this world and the hereafter (falah) in a good and honourable life order (hayah thayyibah). In contrast to capitalist economics, Islamic economics contains norms and values that limit human freedom in seeking personal gain or wealth ensure healthy competition between producers and ensure that there is no form of injustice, including injustice to consumers.

Islamic finance revolves around enhancing the quality of life for customers in a transparent manner, ensuring fair distribution of income, and promoting social justice within the community. Therefore, Islamic finance aligns with the Sustainable Development Goals and is effective in advocating for ethical financial practices and upholding the principle of socio-economic justice. (Alhammadi 2024). Islamic finance differs from conventional banks (especially in terms of financing) because it applies Islamic law (Sharia) to its products, services, transactions, and presentation to customers. Islamic banks strictly prohibit betting and fees (alqimar), gambling/speculation or unearned profits (maysir), and undue risk/uncertainty/fraud (gharar). Furthermore, Sharia law prohibits trading in alcohol, pork, and illegal narcotics. Furthermore, Islamic banks do not pay interest (riba) on deposits, and banks often invest in assets that customers want through risk and revenue-sharing transactions. Thus, banks purchase assets or products at a certain price and then resell them to consumers at a higher price (musharakah) (Todorof 2018). There are at least four main factors behind the development of Islamic banks (Dawood et al. 2022). The Muslim population stood at 1.8 billion in 2017 and is projected to reach 3 billion by 2060. In the Islamic world, young people have an average age of 24 years, compared to the global average of 32 years, showing that they are more energetic and tech-savvy, as per a 2015 report. Islamic banks directed investments worth $745 million into the Islamic economy (Islamic countries) between 2015 and 2018. There is a substantial trade flow in Islamic economy lifestyle products, with imports amounting to $271.8 billion and exports to $210.5 billion in 2017. From this population bonus, there is a pattern of supply and demand that encourages Islamic finance to make various product or service innovations. Opportunities for technology integration in the Islamic financial industry, ideally, can immediately adapt in providing product and service services for consumers with more efficiency and ease of access. The bank and non-bank financial industry must digitize to compete with the development of other fast-moving industries, which is one of the challenges of business development and sustainability.

Financial technology (fintech) has the potential to open up new opportunities in addressing the constraints of the Islamic financial industry, and provide creative solutions including for conventional financial problems. The massiveness of regulation and ethics in fintech can reach out to the community at large to continue business and in Islam, the financial industry has grown in popularity in recent years due to its commitment to Sharia rules and values. Bank Indonesia Regulation Number 19/12/PBI/2017 stipulates that financial technology in Indonesia refers to the use of technology in the financial sector to innovate and create new products, services, technology, and business models that can impact monetary stability, financial system stability, and the efficiency, smoothness, security, and reliability of the payment system. OJK Number 77 /Pojk.01 /2016 pertains to Information Technology-Based Money Lending and Borrowing Services. Furthermore, Sharia fintech is guided by the DSN MUI fatwa Number: 117/ DSN-MUI/II/2018, encompassing Information Technology-Based Financing Services Based on Sharia Principles, in addition to other relevant regulations.

The innovative financing landscapes of technologies in Islamic finance (IF) and Islamic social finance (ISF) have demonstrated significant potential to support sustainable development. These technologies prioritize environmental, social, and corporate governance criteria to create a positive social impact (United Nations Development Programme 2023, 3). Islamic finance/IF instruments possess numerous features that make them a potentially transformative new source for financing the SDGs. They can spur economic and entrepreneurial activity, enhance financial inclusion, and promote social stability, all aligning with Goal 2030.

Islamic financial services, such as Islamic microfinance, sukuk, and takaful, are grounded in principles of socio-economic justice. Islamic social finance encompasses traditional Islamic instruments rooted in philanthropy (such as zakat, waqf, and sadaqah) and cooperation (such as qardh and kafala). All transactions must align with the overall objectives of Islamic law (Maqasid), promoting welfare (Maslahah) and preventing harm (Mafsadah). From a human development standpoint, an economy should ensure growth and stability while ensuring a fair distribution of income, where each household earns a decent income to meet basic needs. A system of mandatory wealth redistribution, based on a certain level of wealth, has little tolerance for a culture of non-giving or avoidance. The impact of this redistribution has been demonstrated in many countries to contribute significantly to capacity building and social justice. Even with some progress in collecting zakat and waqf in various countries, there is still a need for more funds to address poverty. Countries that actively reform their Islamic social finance sectors and create supportive regulations, policies, and institutions have a good chance of raising the necessary resources. The digitalization of IF and ISF services is a growing trend that should not be underestimated. Islam emphasizes the importance of maqashid sharia (Daruriyyat, Hajiyyat, and Tahsiniyat) (Ghazali 2018) and maslahah. If implemented in the IF strategy the priority of dharuriyyat, such as in Islamic financial management, legal and sharia compliance, and legal and sharia compliance. The scope of hajiyyat includes strategies that help fulfil needs, such as product and service innovation, technology development, and sharia risk management. Then, tahsiniyyat focuses on improving the quality, attractiveness, and convenience of business operations.

Financial Technology (Fintech) Trend

The finance and banking industry, particularly Islamic finance, is witnessing the rise of fintech as a new trend. Fintech is emerging as a response to the challenges in advancing Islamic financial technology. Its influence can enhance Sharia-compliant products, boost financial inclusion among Muslim consumers and investors, and empower Islamic banks and financial institutions to compete effectively with conventional banks. By leveraging fintech innovations, Islamic financial institutions can gain a competitive edge, reduce product costs, bridge the credit gap, lower operational expenses, enhance service quality, and elevate consumer engagement and satisfaction. This helps organizations gain a competitive advantage and increase productivity (Dawood et al. 2022). In addition, Islamic Fintech innovations can cater to the preferences of young Muslims (generation Z) (Todorof 2018).

Credit platforms such as peer-to-peer lending and automated investment are among the most appropriate Shariah-compliant fintech innovations available (Dawood et al. 2022). One of the crucial components in the fintech ecosystem is the business model. Fintech business models are often divided by experts into two categories: vertical business models (Fintech verticals) that are focused on specific financial service areas, and (Lee and Shin 2018) horizontal business models (Fintech horizontals) focused on functional areas and emerging technologies (Imerman and Fabozzi 2020). Vertical Fintech includes payments, wealth management, crowdfunding, lending, insurance, capital markets (Lee and Shin 2018), digital banking, and property business models (Imerman and Fabozzi 2020). The category of horizontal Fintech, on the other hand, encompasses functional subtypes and technological subtypes (Imerman and Fabozzi 2020). Functional subtypes include financial regulation, risk management, funding, and valuation. Meanwhile, the technological subtypes encompass blockchain, internet of Things (IoT), artificial intelligence, big data analytics, cybersecurity, biometrics, open application programming interfaces (APIs), cloud computing, quantum computing, as well as virtual or augmented reality, and automation or robotics (Dawood et al. 2022). Blockchain-based techniques (Nakamoto 2008) (Nakamoto, 2008), are one of the recommendations that should be used in Islamic financial transactions, thereby increasing global trust in Islamic finance (Abu-Bakar 2018), where each transaction is recorded in information blocks, and all blocks are added and written in all user data packets simultaneously, making it almost impossible to cheat the system, and it is not impossible to be applied also in Islamic philanthropy such as for waqf (Vidiati et al. 2021).

While financial technology brings benefits to the financial industry, it encounters numerous obstacles and difficulties in the financial and banking sectors (Dawood et al. 2022). Fintech vertical business models face six challenges (Lee and Shin 2018) related to investment management, customer management, regulation, technology integration, security and privacy, as well as risk management, along with the effects of COVID-19 on Fintech vertical business models and fintech horizontal functional business models (Li and Xu 2021); Additionally, the impact of big data presents a challenge as substantial as the hindrances to the horizontal Fintech technology business model (Li and Xu 2021).

OJK performance involvement in IF in Indonesia

The OJK has made significant strides in Islamic Digital Finance, utilizing digital financial innovation (IKD) to enhance processes, business models, and financial instruments within the financial services sector. The incorporation of a digital ecosystem is expected to positively impact Indonesian Sharia fintech metrics on the global stage. Companies organizing IKD must adhere to specific criteria, including being innovative and future-oriented, utilizing information and communication technology as the primary medium for serving consumers in the Financial Services Sector, promoting financial inclusion and literacy, being practical and widely applicable, integrating with existing financial services, adopting a collaborative approach, and prioritizing consumer and data protection issues.

The strategy for Sharia Fintech & Sharia Finance Industry Development is to implement Sharia digital financial innovations by introducing digital platforms to MSMEs for financing or marketing Sharia products, fostering an ecosystem that facilitates collaboration between fintech, MSMEs, and the Sharia finance industry, and partnering with the Indonesian Sharia Fintech Association (AFSI) to enhance the governance and capabilities of Indonesian Sharia fintech. This entails marketing Sharia products, such as Sharia Insurance (Takaful) and retail sukuk, through online marketplaces, fortifying the identity of Sharia financial services institutions by reinforcing Sharia values, developing uniquely competitive Sharia products, digitizing Sharia LJK, and establishing an Islamic Inclusive Financial Services Board (IIFSB) based in Indonesia as a hub for global Islamic social finance development.

The OJK has implemented Islamic digital financial innovations such as Gebyar Safari Ramadhan (GSR), which is a series of programs aimed at promoting Islamic financial literacy and education during Ramadan in collaboration with relevant stakeholders and PUJK in the Islamic Financial Services Sector. In 2021, the Gebyar Safari Ramadhan 1442 H activities included 4 Sharia financial education webinars, 4 Sahur Berkah Bareng Podcast activities, and 4 Instagram Live Islamic financial product surgery activities, which were attended online by 18,012 participants. The climax of the GSR 1442 H activities was the Gebyar Ramadhan Nusantara (GRN) activities carried out simultaneously by Regional offices (KR) and OJK offices (KOJK) throughout Indonesia. The GSR 1442 H implementation included 124 activities comprising Islamic finance education webinars, face-to-face Islamic finance education sessions, talk shows on radio, IG lives, and various competitions. These activities have effectively increased the accessibility of Islamic digital financial innovation education, making Islamic financial education and literacy accessible to people in various regions through the use of digital platforms, regardless of geographical distance. This is evident from the high number of participants who attend activities online. Not only that, but it also strengthens the Sharia fintech ecosystem in Indonesia, in line to improve Global Islamic Fintech indicators.

In 2021, Ijtima' Sanawi was an OJK initiative aimed at boosting global Islamic fintech advancement. DSN MUI and OJK, along with other stakeholders, are committed to conducting annual DPS refreshments through activities related to Ijtima' Sanawi. The impact of Ijtima' Sanawi in Sharia digital financial innovation in 2021 was the encouragement for DPS to embrace digitalization in overseeing Sharia aspects across various fintech services. This aligns with the global push to incorporate technology in Sharia supervision, thereby enhancing Sharia fintech indicators worldwide. OJK's Sharia digital finance innovation propelled Indonesia to the top 15 in the 2021 Global Islamic Economy Indicator. The country's overall ranking continues to ascend, primarily driven by strong awareness scores across sectors. Indonesia achieved the fifth position in the media and recreation indicator, advancing from 47th place, and rose to sixth in the pharmaceutical and cosmetics indicator from 19th. This progress can largely be attributed to the country's superior awareness compared to others. Furthermore, Indonesia climbed to the eighth position in the halal food indicator ranking, bolstered by its exports to OIC countries.

Indonesia is experiencing a rise in the value of sukuk and Islamic funds within the Islamic finance sector. There is a high level of awareness and demand for Islamic finance, and Indonesia ranks first in the number of research papers and related events. In 2019, Indonesia hosted 20 agendas in media and recreation, resulting in significant media coverage and various media indicators. The implementation of Undang-Undang Penjaminan Produk Halal Number 33 of 2014 in October 2019 mandated halal certification for all halal products, leading to substantial growth in the halal, pharmaceutical, and cosmetic sectors. This trend is anticipated to continue. Indonesia is ranked third in modest fashion, followed by halal food, media and recreation, Muslim-friendly travel, and Islamic finance. Despite a decrease in the indicator rating for Islamic finance in 2020 due to the COVID-19 pandemic, which necessitated large-scale social restrictions for Indonesian citizens. We can see in Figure 1 from GIEI Score bellow.

Indicator score breakdown for top 15 ranking countries

Country	GIEI	Halal Food	Islamic Finance	Muslim-Friendly Travel	Modest Fashion	Pharma & Cosmetics	Media & Recreation
1. Malaysia	290.2	209.8	389.0	98.3	43.7	80.2	59.9
2. Saudi Arabia	155.1	51.1	234.2	36.8	22.1	33.4	34.7
3. UAE	133.0	104.4	142.5	78.3	235.6	72.1	125.3
4. Indonesia	91.2	71.5	111.6	45.3	57.9	47.5	43.6
5. Jordan	88.1	39.6	124.6	43.3	18.5	39.1	31.6
6. Bahrain	86.9	42.2	121.9	31.9	16.7	33.5	42.3
7. Kuwait	73.3	42.2	99.2	27.1	17.5	33.3	40.8
8. Pakistan	70.9	54.7	91.1	23.6	30.6	32.5	12.9
9. Iran	64.0	60.5	74.0	28.8	33.5	55.9	26.6
10. Qatar	63.1	44.3	80.1	36.7	20.3	32.1	40.2
11. Oman	60.0	47.1	73.4	33.2	28.7	33.5	35.3
12. Turkey	55.9	70.7	49.9	62.7	75.1	43.3	34.6
13. Nigeria	53.1	20.7	76.6	14.1	19.8	21.6	16.7
14. Sri Lanka	49.2	27.3	66.6	13.3	26.2	20.1	18.4
15. Singapore	47.4	125.2	16.9	42.6	30.6	62.9	46.8

Figure 1. GIEI Score
Source: (Shafaki 2022a)

In 2021, it is estimated that the global Islamic Fintech market's transaction volume will reach $79 billion and is expected to grow at an average annual rate of 18%, reaching $179 billion by 2026. Based on transaction volume for Islamic Fintech, Saudi Arabia, Iran, Malaysia, UAE, Turkey, and Indonesia are identified as the top six OIC Fintech markets. These leading six markets together make up 81% of the OIC Islamic Fintech Market Size, indicating the presence of two dominant emerging regional centres among OIC countries for Islamic Fintech. (Shafaki 2022b).

In 2022, OJK is set to implement financial sector technological innovation (ITSK), a technology-driven innovation with implications for products, operations, services, and business models within the digital financial ecosystem. According to data from the Indonesian Sharia Fintech Association (AFSI), four Sharia-based ITSK organizers obtained listed status from the OJK in 2023. By December 31, 2023, the number of Sharia-based ITSK organizers had reached 14, reflecting a 40% growth compared to the previous year. ITSK Syariah offers Sharia-compliant services/products across various clusters. The first cluster, Aggregator, comprises a website or app that assists customers in accessing information about financial services products and services through digital collection, filtering, and comparison of offerings from financial services institutions (LJK). The second cluster, Financing Agents, involves a digital financial innovation (IKD) platform on a website or app that aids LJK in closing loans for potential customers. The third cluster, Funding Agents, features a digital financial innovation (IKD) platform on a website or app that serves as a marketing platform for LJK to attract funding customers. The fourth cluster, InsurTech, is a platform that collaborates with insurance companies or brokerage firms to provide information services and insurance products, facilitating online insurance claims for individuals, groups, and governments. The fifth cluster, E-KYC, provides identification and verification services for prospective customers/customers using population data sourced from Dukcapil. ITSK operates within the e-KYC cluster and follows a Sharia business model through idn-pass (a company specializing in digitally verifying customer or user data). The sixth cluster, Wealth-Tech, integrates various financial and supporting product services provided by a conglomerate Group Company and its business partners into a single mobile application. This facilitates users in accessing and managing their finances, including banking, financing, insurance, and investment/funding. ITSK operates within the Wealth-Tech cluster and follows a Sharia business model.

Indonesia's advancement in its syariah under the OJK has propelled it to the third spot in the overall GIEI ranking. It maintains the second position in the halal food indicator and the third position in the simple mode indicator. The country has surged 23 positions to claim the sixth rank in the media and recreation indicator. In 2022, Indonesia's exports to OIC member countries reached US $13.38 billion, firmly placing it as one of the top 10 exporters to the OIC, alongside Türkiye. During the 2022/23 period, Indonesia attracted the highest number of Islam-related investments and secured the second-highest FDI inflows among OIC member countries, while also ranking 19th for FDI inflows globally. Indonesia is actively forging partnerships with various countries worldwide to provide halal assurance services. It has collaborated with the Islamic Republic of Iran to guarantee halal products through an MOU and has previously signed the MoU with five other countries: Chile, Argentina, Hungary, Belarus, and Türkiye. Under its G20 presidency, Indonesia introduced the Halal Forum 20 (H20), marking a significant advancement in the global halal ecosystem and industry as well as global halal partnerships. Indonesia has also witnessed significant progress in its Islamic lifestyle industry. The Ministry of Trade in Indonesia is striving to become a global hub with a simple modus operandi and has initiated partnerships with other ministries and the private sector to achieve this goal. Jakarta Muslim Fashion Week has become the main event. Indonesia plans for new regulations that will allow media outlets to be compensated by digital platforms or aggregators that display their material, a move aimed at balancing profit generation between technology companies and content providers. The government has given great support to MSEs throughout the sector. They are targeting to support around 30 million UMMM to incorporate digital platforms by 2024 and encourage the development of the Islamic economy. From Figure 2 GIEI 2023 Score we can see the progress of Indonesia movement IF, and Figure 3 Top 15 Rank from IAEI

Figure 2 GIEI 2023 Score
Source: (Liaqat 2023)

Indicator Scores Breakdown for Top 15 Ranking Countries

		GIEI	Islamic Finance	Halal Food	Muslim-Friendly Travel	Modest Fashion	Media & Recreation	Halal Pharma & Cosmetics
1	Malaysia	193.2	408.7	128.0	99.4	73.6	74.4	73.9
2	Saudi Arabia	93.6	194.9	48.5	99.7	34.3	37.5	34.3
3	Indonesia	80.1	93.2	94.4	60.7	66.3	52.4	58.6
4	United Arab Emirates	79.8	115.7	59.2	136.2	51.3	44.5	41.3
5	Bahrain	75.0	125.1	55.0	88.1	33.4	49.6	38.5
6	Iran	74.6	159.8	41.2	65.7	20.5	24.2	33.1
7	Türkiye	74.0	46.1	85.1	161.8	86.2	46.0	52.6
8	Singapore	62.7	52.2	67.7	50.3	64.3	72.6	79.9
9	Kuwait	60.2	123.6	42.2	28.7	20.0	26.8	29.2
10	Qatar	57.1	74.4	49.7	60.4	37.4	63.3	37.2
11	Jordan	52.2	65.6	49.4	88.3	22.1	26.3	39.9
12	Oman	50.0	78.7	48.3	48.0	20.1	24.4	26.3
13	Pakistan	47.5	69.6	51.4	38.4	27.5	17.2	28.6
14	South Africa	44.7	51.1	53.8	25.3	32.4	31.9	43.2
15	United Kingdom	44.7	46.0	43.7	28.1	47.7	54.4	48.2

Figure 3 Top 15 Rank
Source: (Redaksi IAEI 2024)

CONCLUSION

The landscape of fintech is evolving quickly, with digital payments, digital investment, digital capital raising, digital assets, and neo-banking becoming major trends. Mobile payment options are gaining popularity among customers, resulting in a significant uptick in digital transactions for everyday purchases. Consumers are showing a growing interest in accessible and cost-effective investment solutions offered by digital investment platforms. Start-ups and SMEs are finding digital capital raising to be an attractive option for quickly securing funds. The rise of digital assets, such as cryptocurrencies and NFTs, has opened up new opportunities for investors and traders. Neobanks have transformed traditional banking by introducing customer-centric solutions that meet the needs of today's digitally savvy consumers. The fintech market is poised for continual rapid growth, supported by ongoing technological advancements, changing consumer behaviour, and regulatory support. This is not just a fad but a modern-day necessity.

The OJK has introduced various initiatives to raise awareness of Sharia digital financial advancements, but without adequate Sharia financial knowledge, the effectiveness of these advancements may be limited. Hence, it is important to place greater emphasis on implementing more proactive and organized educational programs in order to enhance Indonesia's standing on the Global Islamic Fintech Indicator. These initiatives should not only focus on fundamental knowledge but also provide an in-depth understanding of Sharia fintech products and services. Developing more flexible products to rebuild public confidence in the Indonesian economy through Sharia digital financial advancements will enhance the well-being of the Indonesian population.

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