

ECONOMIC BEHAVIOUR INDONESIAN ISLAMIC SOCIETY IN INVESTING AND MANAGING FINANCES: A QUALITATIVE ANALYSIS OF THE IMPACT OF FINTECH

Neni Yulianti¹

Cory Vidiati²

Dini Selasih³

Mohammad Ridwan⁴

Gama Pratama⁵

¹Fakultas Ekonomi dan Bisnis Islam, Universitas Islam Bunga Bangsa Cirebon
Email: nenyulianti127@gmail.com

²Fakultas Ekonomi dan Bisnis Islam, Universitas Islam Bunga Bangsa Cirebon
Email: coryvidiati@bungabangsacirebon.ac.id

³Fakultas Ekonomi dan Bisnis Islam, Universitas Islam Bunga Bangsa Cirebon
Email: ddiniselasi@gmail.com

⁴Fakultas Ekonomi dan Bisnis Islam, Universitas Islam Bunga Bangsa Cirebon
Email: mohammadridwan@bungabangsacirebon.ac.id

⁵Fakultas Ekonomi dan Bisnis Islam, Universitas Islam Bunga Bangsa Cirebon
Email: gamapratama0@gmail.com

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Abstract: *Fintech is a form of shifting society to the digital industry which is a combination of abbreviations from financial and technology. Fintech facilitates all economic activities of society, but fintech also causes addiction for its users and even data leakage and misuse for illegal activities. The method used is a qualitative approach by analysing the novelty and research findings based on literature research from previous studies, namely that fintech can influence the mindset and lifestyle of Indonesians on the grounds that it is easier and more practical such as online loans and online investments as well as increasing the economic growth of a country's GDP and the income of Indonesians in various fields of work. The purpose of this study is to determine the impact of fintech on the behaviour of Islamic society in investing and managing finances, which previously all economic activities were still carried out traditionally, now people are turning to all-digital financial technology. The result of this study is that although fintech has brought many positive changes in the way people interact with finance and technology, it is also important to recognise the risks and challenges that fintech may pose. Proper regulation and consumer protection are also important in dealing with the impact of fintech so that the existence of fintech can benefit all levels of Indonesian society, especially can increase Indonesia's economic growth through short and long term investment.*

Keywords: *Fintech, shifting economic behaviour, investment, financial management, mashlahah*

Introduction

Fintech is growing very rapidly in the industrial era 4.0 and 5.0 where digital financial technology is in great demand because of its easy access that can be used by people throughout the archipelago to remote areas. Fintech greatly influences people's behavior, which previously all economic activities were still carried out traditionally, now people are switching to the use of all-digital financial technology that is adapted to the development of millennial times. This has also been followed by the Islamic community in managing finances that can be easily used in daily activities such as making bank accounts, transfers, bill payments, and online shopping that can be easily done anywhere and anytime and can even be used at home.

The role of Fintech in the behavior of Indonesian Islamic society is that it can provide assistance to MSME players in managing finances by using digital technology in payment transactions, loans, and financial reports via the internet where its application has challenges in the form of limited human resource capabilities, minimal financial literacy, infrastructure challenges, and legislation (Fajar & Larasati, 2021). The impact of FinTech innovation is that it can reduce the level of quality and profitability of a bank's assets as a whole and can change bank performance because fintech companies are able to precisely engineer bank performance and are expected to work well together to actively improve financial technology innovation capabilities (Zhao et al., 2022).

According to research conducted (Purwanto et al., 2022) that fintech companies have been present in 2005 which has been recorded and has become the history of the establishment of the first company born in the UK, namely the Zopa company where its business activities come from peer to peer which means lending and borrowing in business activities so that the existence of Zopa is followed by many countries around the world and even Indonesia is included in it. Indonesia experienced an increase of 58.5%, which amounted to IDR 35 trillion in the last year of 2021 so that Indonesia is one of the contributors to 23% of finance in e-commerce stores in the world (Helti Nur Aisyah, Septi Kurnia Pratiwi, 2023). This is due to the fact that Indonesians are easy to use the internet and the price of smartphones can be reached by the middle and lower classes so that digital technology has a wide market share marked by the many unicorn startups that have grown in Indonesia along with strong support from the government such as Traveloka, Gojek, Tokopedia, and Buka Lapak (Wajuba et al., 2021).

Indonesia is a majority Muslim country whose economic activities require Islamic fintech products with various types of non-commercial sharia contracts such as waqf, zakat, and qardhul hasan to contracts that have commercial properties such as ijarah, mudharabah, musyarakah, and murabahah (Saripudin et al., 2021). The existence of Islamic fintech is not a competitor to conventional banking but Islamic fintech is one part that intersects with the bank market segment (Hiyanti et al., 2020). According to (Aziz, 2020) Islamic fintech in Indonesia has sharia elements in fiqh muamalah, namely social piety, accountability, transparency in information and transactions, fair, equal, and avoid usury, *gharar*, *maysir*, *israf*, *tadlis*, *risywah*.

Sharia fintech in Indonesia must be guaranteed halal based on how much the sharia elements are. If the dose of sharia elements is large, fintech automatically has halal value in transactions. So that sharia fintech has sharia-based service innovations in which there are financial

transactions by utilizing technological sophistication that implement cooperation between investors and fintech companies that use a profit sharing system according to mutual agreement based on the scheme and loan amount (Kharisma Faizatul Milla, 2022). Therefore, the formulation of the problem in this study is how to find out the impact of fintech on the behavior of Indonesian Muslims in investing and managing finances, as well as the impact of fintech on Indonesia's economic growth.

Islamic fintech in Indonesia has crowdfunding Islamic financial services since 2014 including Start Zakat, Paytren, Ammana, Investtree, Dana Syariah, and ALAMI with the aim of improving the country's economy. Sharia fintech in Indonesia has been formed in the Indonesian Fintech Association or AFSI and has an official register with the Financial Services Authority (OJK) (Hiyanti et al., 2020). Therefore, the existence of Islamic fintech in Indonesia led the author to conduct research on the impact of fintech on the behavior of Indonesian Muslims in investing and managing finances, and to determine the impact of fintech on Indonesia's economic growth.

Research Method

The method used in this journal is a qualitative approach by descriptively analysing literature research from previous studies based on literature reviews from several trusted reference sources. The literature review aims to get an overview of topics related to and to be studied by researchers with similar previous studies, so that researchers expect no repetition of the same material. In addition, researchers use secondary data that has been published and then processed the data. The secondary data sources used by researchers are obtained from DataBooks, Statista, CNBC Indonesia, the Central Bureau of Statistics, and Government Regulations. In addition, this journal uses the historical study method of previously researched research by taking notes from juridical and historical bibliographies that occurred in the past comparatively.

Results And Discussion

Definition of Fintech

Fintech is a combination of abbreviations for financial technology that has a significant impact on people's behavior in managing their finances. The existence of fintech has changed people's perspective on finance who previously had to go to the bank when transacting or interacting with others about financial services.

In fintech there are financial and banking applications that use digital technology. There are also features in fintech applications including tracking expenses, planning budgets, analyzing finances, and managing finances better. Fintech can also be used to invest easily and change people's behavior in making payments using digital technology such as E-Wallet, Quick Response Code Indonesian Standard or known as QRIS, OVO, DANA, Gopay, Flip, and Link Aja. Fintech can also be used for money lending such as Kredivo, Ada Kami, and Easy Cash. Fintech has also changed the behavior of many people who used to flock to traditional markets and malls, now financing and shopping can be done through the use of e-commerce and other digital payments online such as E-Commerce Tokopedia, Shopee, Buka Lapak, Blibli, and Lazada.

In fintech there is a cloud and data center and the Internet of Things (IoT) which greatly influences the rapidly growing digital business due to the use of tablets, laptops, computers, the internet that connects one person to another and one business relationship with another or a

relationship better known as business to business (B2B) and business relationships to customers and consumers or business to consumers commonly called B2C which greatly dominates and supports business ventures both individually and in connection with consumer relations and other customers and business partners without borders. Fintech covers the financial sector by utilizing digital with a focus on providing the best service for customers using applications, computer devices or smartphones that can be very easy to use at any time (Rahadi, 2021).

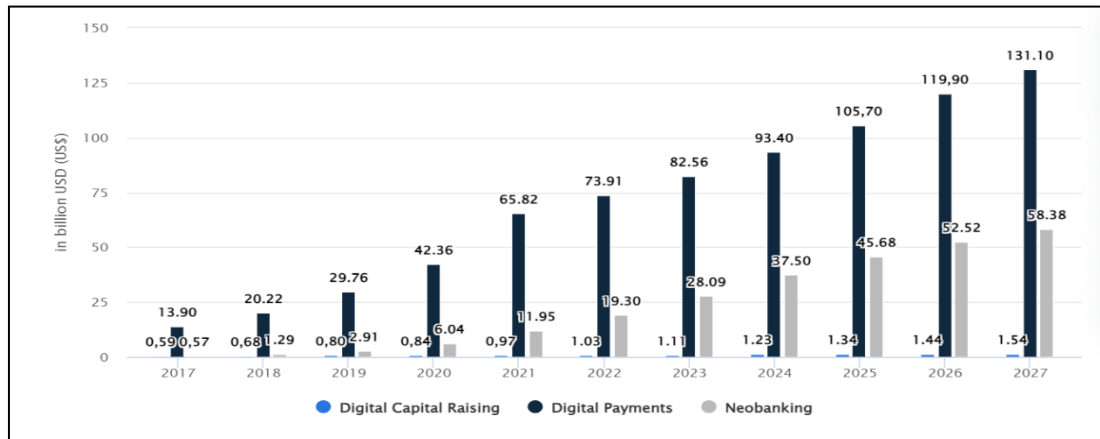


Figure 1: Growth of Fintech in Indonesia

Source: (Statista, n.d.)

From the data above, it can be read that digital investment reached the largest market of US\$1,233.00 million AUM in 2023 by having a projected average per digital investment user average AUM of US\$124.90 in 2023 with an estimated revenue growth of 29.7% in 2024. Fintech experienced a surge in the number of digital financing market users of US\$247.30 million in 2027 with a projected total digital investment market AUM of US\$1,233.00 million in 2023.

Types of Fintech

Fintech in Indonesia that is often used by the public is bill payment, financing or crowdfunding, lending or lending, retail investment, financial planning or called financial planner, and financial research or called financial research. Fintech that uses crowdfunding and lending services has a function as a provider of funds, providing information on the amount of funds, reports on the use of funds, and other financial information such as funds needed for long-term time or funding with varying interest rates. Fintechs that provide lending and crowdfunding services include Investree, UangTeman, and Modalku Fintech.

In addition, fintech also offers online payment services and online remittance products. The process of sending and paying online can be in the form of electronic money and then stored in a QR Code, a card with a barcode or in a smartphone. So that people in transactions no longer need cash. Examples of startups in the form of applications from Indonesia that provide lending and crowdfunding services are Kartuku, Doku, Dompotku, and Dimo which are easily accessible anywhere and anytime without the need to use cash. These startup companies also provide information services about the capital market and investment in stocks and mutual funds such as Bareksa and Stockbit. There are also startup companies that provide various financial-related product information such as credit, investment, and insurance, as well as simple financial statement records such as Duitpintar, AturDuit, and Cekaja.com (Budi Raharjo, 2021).

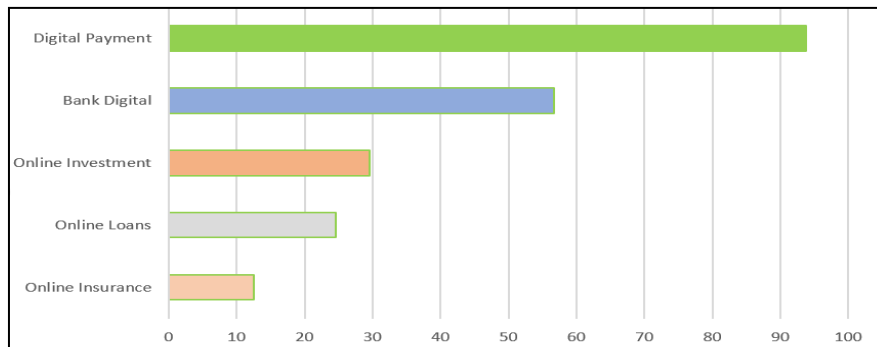


Figure 2: Types of Fintech Often Used by Indonesians

Source:(Anggara Pernando, n.d.)

From DataIndonesia.id research data on March 21, 2023, it can be seen that the largest number of Indonesians using fintech is for digital payments of 93.81% of respondents, followed by second place, namely for digital banks of 56.67% of respondents, online investment of 29.59% of respondents, online loans of 24.56% of respondents, and online insurance of 12.57% of respondents with data results in the form of random sampling data.

Similarities and Differences between Conventional Fintech and Sharia Fintech

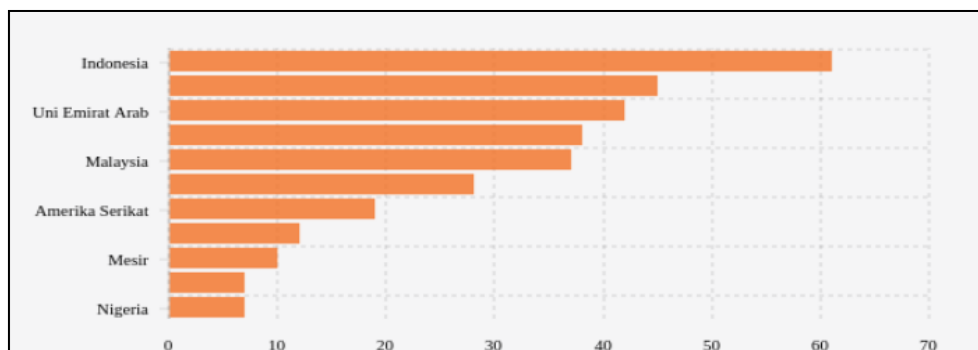


Figure 3: Countries with the Most Sharia Fintech Users in the World 2021

Source: (Cindy Mutia Annur, n.d.)

From the data above, it can be seen that Indonesia in 2021 has reached the largest number in the world and is in the top position with 61 Islamic fintech users or 16.27% of the total number of Islamic fintech globally. The country with the lowest number of Islamic fintech users in the world is Nigeria with the lowest position. The second position is occupied by the United Arab Emirates, followed by Malaysia in third position, the United States in fourth position, and Egypt in fifth position.

The similarities between conventional fintech and sharia fintech in Indonesia are classified as P2P or what is called Peer to Peer in business and business. While sharia fintech can provide lending services to the Islamic community in Indonesia in accordance with the principles of Islamic economics so that there is no usury interest, and differences in how to collect and resolve problems.

Sharia Fintech has a contract in the process of financial services using digital technology such as e-payment or electronic money, insurtech or technology insurance and peer to peer online loans in sharia (Aziz, 2020). In essence, the process of use between conventional fintech and

sharia fintech is almost the same, namely both using the sophistication of digital technology in managing finance and online financing, while the difference in sharia fintech is only in the contract and in accordance with sharia principles such as no usury interest in it.

The very dominant difference between conventional fintech and Islamic fintech is that in Islamic fintech it is required that in the process of activities in fiqh muamalah there must be a contract according to sharia contracts such as financing by adding a fee called murabahah, business and business with collaborative cooperation in joint capital provision or musyarakah, the existence of partners between capital and labor or mudharabah, and other sharia contracts that greatly affect the behavior of Islamic society and the growth of the Islamic economy (Hasan et al., 2021). As discussed in research (Mughtar & Zubairin, 2022) that when a problem has not been written in the Qur'an and Hadith, the problem can use other sources of law based on ijma or consensus of scholars.

Islamic fintech has a legal basis for the hadith from the narration of Bukhori Ibn Abbas, namely, "Said 'Amr ibn Abas to Sufyan to us, in ancient times in the markets of 'Ukaz, Dzu al-Majaz, and Mijannah were markets that existed during the jahiliah period when Muslims felt they had a sin when these markets were alive then the verse was revealed:" There is no sin on you who seek God's bounty during the Hajj season." The hadith means that the financial system before Islam came was already using the legal basis of Islamic regulations.

Although fintech in its use has had many positive impacts on society in transacting and interacting through easy digital financial technology such as fintech collaborating between banks and MSMEs in improving financial literacy and playing a role in the national movement for digital transactions (Wachyu & Winarto, 2020), fintech has also had a negative impact on society regarding data privacy security and there are people who misuse fintech for activities that harm many people. Therefore, regulations and consumer protection rights are needed against the impact on the behavior of people who use fintech. In addition, the existence of fintech has resulted in people's behavior, especially Indonesian people, being addicted to pinjol or online loans that are easily accessible through applications on the internet.

Positive Impact of Fintech

Conventional fintech and sharia fintech have a positive impact on the behavior of Indonesian Muslims in investing and managing finances, including:

1. Facilitating access to financial services among the Muslim community in online transactions and online shopping.
2. Having transparency in the form of a clear platform in managing finances and focusing on accountability that can facilitate the activities of the Islamic community.
3. As an alternative source of funds in the form of peer to peer and crowdfunding.
4. As a medium for investing in stocks, property, gold, and mutual funds.
5. As an increase in financial literacy with education on good financial management.
6. Can increase the country's economic growth.

Negative Impact of Fintech

While fintech has brought many positive changes to people's easy interaction with finance and technology, it is also important to recognize the risks and challenges that may arise, such as data privacy leakage issues, reduced security with terror and defamation, and the potential misuse of fintech for illegal activities such as in online lending. Therefore, proper regulation and consumer protection are also important in dealing with the impact of fintech on people's

behavior. This arises from the public's view that borrowing money online is considered easy and is a solution to various economic problems without caring about the impact of illegal online loans, namely the dissemination of privacy data, receiving large interest rates, and experiencing terror if late payments (Alfatih et al., 2023).

Online loans are very dangerous because in addition to having to pay high interest rates regularly, they also experience terror threats of defamation and a sense of addiction to consumptive behavior because any shopping becomes easier without caring about the source of funds not from themselves but from borrowed funds (Mardikaningsih et al., 2020). The following are the negative impacts for fintech users, including:

1. The existence of misused customer funds such as fundraising is not registered with the Financial Services Authority (OJK) with high interest rates so that it can harm the community.
2. Many illegal fintech companies stand on behalf of investment and savings and loan cooperatives that can deceive the public and investment money cannot be disbursed.
3. Making businesses bankrupt because fintech can compete with conventional banking businesses and offline MSMEs.
4. The behavior of people who are addicted to fintech which causes them to be willing to linger in fintech and take a lot of time. They unconsciously cause consumptive behavior towards financing that is not very important or online shopping only based on desire.
5. Many fintech applications accumulate on smartphones so that they create dependence and feelings of stress because they are worried about paying bills for using fintech.

Based on the rules of the Financial Services Authority with Number 77 / POJK.01 / 2016 article 7 regarding money lending with information that uses technological sophistication and states that money lending service providers must register and obtain an official license from the OJK. As for illegal online money lending and borrowing service providers that are not officially registered with the OJK as reviewed by (Redaksi CNBC Indonesia, n.d.) many pinjol through application platforms that always appear on the internet screen from April 2023 to June 2023 and have been reported by the Alert Task Force 400 websites, namely 352 pinjol and 77 website and social media content that provide services and promote illegal loans to the public online without an official list from the OJK. As a result, many people are trapped in fraud under the guise of fintech. These platforms include KSP Usaha Kita Bersama, KSP Sarah Benjamin, KSP Mekar, and many other illegal KSPs that act as cooperatives but provide money lending services with very high interest rates.

According to research (Widadatul Ulya, 2022) fintech has a positive contribution to improving the Indonesian economy because it has contributed to economic growth of 0.45% of the total GDP or Gross Domestic Product of IDR 60 trillion rupiah since being hit by the pandemic. So that it increases the productive assets distributed from year to year due to statistical data from OJK that the total amount of loan funds distributed is IDR 272.4 trillion with 104 providers since October 2021. So that fintech has an important role in increasing the economy of a country that in the financial sector can increase the economic strength of countries, one of which is Indonesia with its information sophistication based on digital technology. This has given birth to many startup companies that can facilitate people's economic activities such as payment financial products and services, online loans, and managing assets (Setiyono et al., 2022).

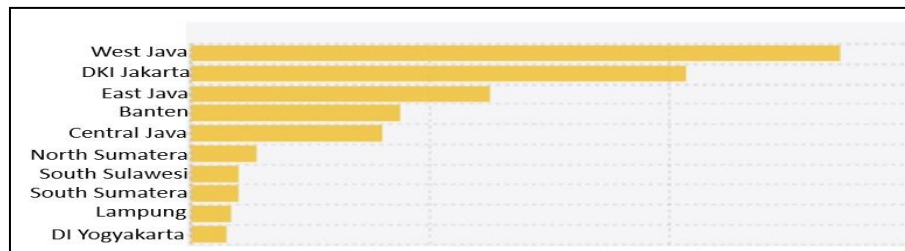


Figure 4: Provinces with loan shark debt

Source: (Aldi Ahdiat, n.d.)

From the data above, it can be seen that OJK data in April 2023 shows that the number of online loan user entities in all provinces in Indonesia is 17 million with an outstanding loan value of Rp. 50.5 trillion rupiah and the largest province with outstanding online loan debt in April 2023 is occupied by West Java province with an amount of Rp. 13.57 trillion rupiah.

Based on the OJK data above, it cannot be denied that the Indonesian people, most of whom adhere to Islam, are more tempted by illegal online loans and illegal fintech applications. There are also illegal fintech applications that have harmed many people, such as the Jombingo application, FEC, and many other applications which are e-commerce applications under the guise of ponzi investment. Jombingo and FEC apps offer services like e-commerce by inviting investors to deposit their capital first to market products in the app with the lure of earning more than the amount of money put into capital.

Jombingo and FEC are e-commerce that has a pyramid-shaped ponzi scheme where the top position is occupied by old investors who have already reaped a lot of profits from the application while the bottom position is the new investors who feel disadvantaged because the invested funds have not made money because the illegal investment company has been scammed or declared bankrupt and closed by the authorities. The reason for the closure of the company is because it has been clearly stated on many reports from people who are victims of fraud who claim for the loss of their money in the Jombingo and FEC online applications.

Factors arising from the impact of fintech on the behavior of the Islamic community in Indonesia in using pinjol services and investing in illegal fintech include:

1. The lack of public financial literacy in organizing and managing personal and family finances.
2. Lack of knowledge and insight into illegal fintech spread around the world.
3. Low Human Resources (HR) of Indonesian people due to gaptek or stuttering technology due to unwillingness to learn the sophistication of digital technology. Therefore, people who have low human resources are more easily deceived due to ignorance of the use of fintech and feel complicated or do not want to bother in learning how to use the right fintech.
4. Want to quickly solve financial problems by borrowing money online without caring about the consequences.
5. Want to get rich quickly by investing without knowing that the company that provides investment services is illegal and has a ponzi scheme that harms many people.
6. Economic limitations due to no personal funds to meet needs and no one else provides loans from family or relatives.

Illegal fintech can have a negative impact when viewed from several views, namely it can hamper the economic growth of a country and can make people no longer trust fintech companies, which actually if fintech can be managed properly it will increase the potential for economic growth of the country. Illegal fintech has a very high risk of fraud, data abuse, and abuse of illegal business and business activities (Martinus Ahmad et al., 2023).

Fintech is indeed very easy to use and helps the Muslim-majority Indonesian people in paying bills, online transactions, online shopping, buying food online, also changing people's behavior to become consumptive and always elite lifestyle by tending to buy goods that have famous brands where these items are often seen by them in social media applications that are often worn by artists and celebrities. So that it has an impact on people's behavior in their lifestyles and daily living habits that are practical and fast-paced in order to increase satisfaction with other people's assessment of the person (Putri et al., 2023). In addition, fintech also has an impact on a luxurious lifestyle or hedonism which significantly affects a person's satisfaction in managing finances (Raprayogha & Rusnawati, 2020).

Fintech and Indonesian Economy

Table 1: Fintech Has Peer to Peer and Lending Impact on GDP

Product	2019		2020	
	Value Addition (Million IDR)	Changes (%)	Value Addition (Million IDR)	Changes (%)
Agriculture, Fisheries and Forestry	276.609,78	0,023	49.152,89	0,004
Mining and Quarrying	288.885,21	0,031	51.459,65	0,005
Processing Industry	469.356,96	0,011	79.333,83	0,002
Electricity and Gas	786.101,99	0,254	183.201,18	0,059
Procurement				
Air Procurement, Waste Management and Recycling of Waste and Garbage	720.309,86	3,025	103.815,98	0,436
Construction	138.914,00	0,008	21.270,65	0,001
Automobile and Motorcycle Trade and Repair	417.559,79	0,161	69.125,08	0,027
Trade Other than Cars and Motorcycles	7.220.918,52	0,650	55.507,30	0,005
Transportation and Warehousing	648.940,97	0,118	104.827,09	0,019
Provision of Accommodation and Food and Drink	273.988,89	0,062	67.283,83	0,015
Information and Communication	811.886,26	0,198	492.964,58	0,121
Financial and Banking Services	1.577.659,96	0,820	1.949.987,80	1,013
Insurance Services	1.924.451,90	3,489	1.512.957,27	2,743
Pension fund Service	905.046,74	6,954	3.323.997,09	25,539
Other Financial Services	7.403.789,98	10,217	49.347.376,41	68,098
Institutions				
Real Estate Services	576.192,78	0,234	76.742,41	0,031
Service Company	1.210.475,40	0,596	598.521,38	0,295
General Government Services	54.120,70	0,013	51.641,58	0,012
Education Services	42.466,00	0,014	37.131,61	0,12
Health Services and Social Activities	97.572,55	0,065	34.866,72	0,023
Other services	122.934,00	0,102	1.866.650,34	1,556
GDP	25.968.182,27	0,198	60.077.814,68	0,458

Source: (INDEF, 2020)

Based on data from (INDEF, 2020) that Fintech of the Peer to Peer (P2P) and Lending type has an impact on GDP economic growth and has the greatest impact on the financial and banking sector, insurance, and pensions with a percentage value of each which has the greatest impact, one of which is on the financial and banking sector 1.01%, insurance 2, 7%, and pension funds 25.3% increased with the existence of a fund account in a non-physical or virtual banking account in the form of venture capital as a direct investment product of fintech companies collaborating with financial and banking institutions as a result of the growth of fintech and services in other businesses increased by 0.29%.

Table 2: Fintech Has Peer to Peer and Lending Impact on Community Income

Production Factors		Revenue Increase (IDR Billion)	Initial Revenue (IDR Billion)	Percentage Change (%)
Labour				
Agriculture salary wage earners	Village	1,571.13	131,127.84	1.20
	City	424.54	35,006.16	1.21
Agriculture and non- wage earners	Village	4,788.34	387,957.53	1.23
	City	509.26	40,419.47	1.26
Production, Transport Operators, Manual and Manual Labourers Wage and Salary Earners	Village	1,371.02	220,335.47	0.62
	City	3,320.53	413,958.41	0.80
Production, Transport Operators, Manual and Non-wage Labourers	Village	1,013.47	132,047.46	0.77
	City	1,104.58	120,263.77	0.92
Administration, Sales, Wage and Salary Earning Services	Village	2,395.24	92,286.64	2.60
	City	11,248.62	435,131.74	2.59
Administration, Sales, Non-wage and Salary Services	Village	1,553.24	150,447.17	1.03
	City	2,421.78	226,526.38	1.07
Leadership, Management, Military, Professional, and Technician Wage and Salary Earners	Village	1,022.60	70,180.93	1.46
	City	3,962.89	192,172.92	2.06
Leadership, Management, Military, Professional, and Technician Non- Wage and Salary Earners	Village	138.67	13,012.01	1.07
	City	385.07	33,451.07	1.15
Non-Labour		43,680.41	2,470,974.96	1.77
Total Factor of Production		80,911.78	5,165,299.93	1.57

Source: (INDEF, 2020)

Based on the data above, it can be seen that income on production factors increased by 1.57%. Labor, sales of products and services in both villages and cities have the highest income also with an average increase of 2%. Fintech is channeled by urban people who work and their daily activities with smartphones. Meanwhile, rural communities experience impacts in the agricultural sector although there is still minimal attention from the central government. Fintech has a huge impact on various sectors including GDP economic growth, labor, financial management, and community income. Therefore, Indonesian people, especially Islamic people, are expected to be wise in using fintech. Choose a fintech company that is legal and registered with OJK, especially sharia fintech for Muslims in Indonesia because it has implemented its performance procedures based on sharia principles.

Fintech companies in Indonesia are a shifting process in the digital Islamic economy industry and banking, which means a shift from financial and banking practices that were originally dominated by conventional systems to digital-based systems and with regard to sharia principles. The sharia principles include, namely: prohibition of usury in the form of interest and foreign exchange transactions (*riba dhamanah*), prohibition of gambling (*maisir*), and activities that contain uncertainty (*gharar*).

Fintech and Sharia Investment

Table 3: Names of SOTS Members in Sharia Capital Market and Investment

No	Member Exchange SOTS	SOTS Name	Website Address Link
1	PT INDO PREMIER SEKURITAS	IPOT SYARIAH	www.indopremier.com
2	PT Mirae Asset Sekuritas	HOT Syariah	www.miraeasset.co.id
3	PT BNI Sekuritas	e-Smart Syariah	www.bnisekuritas.co.id
4	PT Trimegah Sekuritas Tbk.	iTrimegah Syariah	www.trimegah.com
5	PT Mandiri Sekuritas	MOST Syariah	www.most.co.id
6	PT Panin Sekuritas Tbk.	POST Syariah	www.pans.co.id
7	PT Phintraco Sekuritas	PROFITS Syariah	www.profits.co.id
8	PT Sucor Sekuritas	SPOT Syariah	sucorsekuritas.com
9	PT FAC Sekuritas	FAST Syariah	www.facsekuritas.co.id
10	PT MNC Sekuritas	MNC Trade Syariah	www.mncsekuritas.id
11	PT Henan Putihrai Sekuritas	HPX Syariah	www.hpfinancials.co.id/hps
12	PT Philip Sekuritas Indonesia	POEM Syariah	www.poems.co.id
13	PT RHB Sekuritas	RHB Trade Smart Syariah	rhbtradesmart.co.id
14	PT Samuel Sekuritas	STAR Syariah	samuel.co.id
15	PT Maybank Kim Eng Sekuritas	KE Trade Syariah	www.maybank-ke.co.id
16	PT OSO Sekuritas Indonesia	OSO Trader Syariah	www.oso-securities.com
17	PT Kresna Sekuritas	Kresna Trader Syariah	www.kresnasecurities.com
18	PT Danareksa Sekuritas	Danareksa Online Trading Syariah	Danareksasekuritas.co.id

Source: (Chikita Dinda, n.d.)

Fintech can also be implemented in Islamic investment products in the Islamic capital market, namely the issuance of Islamic money markets, Islamic stocks, Islamic mutual funds, Islamic mixed mutual funds, Islamic bonds and other types of Islamic investments (Latief et al., 2020). Islamic fintech is an example of its implementation in Islamic investment, namely the Profits Anywhere application, RHB TradeMart Syariah ID, Maybank Trade, and other applications that can be easily used by investors only via smartphones or computers. According to (Azhari et al., 2022) investment is an effort to collect assets regarding resources and finance with the aim of making a profit. However, in Indonesia, socialization and education about the capital market and Islamic investment are still less attractive to the public due to lack of knowledge about Islamic financial literacy.

Sharia investment in fintech applications in the capital market can be implemented with the existence of sharia stocks, sukuk, sharia bonds, sharia mutual funds, gold, and sharia deposits whose activities are based on sharia principles. The sharia investment must go through screening such as sharia stock screening in the form of SOTS whose law is permissible or allowed on condition that it must have sharia principles and in accordance with the provisions of MUI-DSN Fatwa Number 80/DSN-MUI/III/2011 regarding sharia principles applied in Stock Exchange trading procedures that have Equity properties and are free from usury, gharar, and maisir interest (Ainiyah, 2023).

Sharia economy has developed conceptually and can be an economic choice for people, especially those who are Muslim. The emergence of sharia-based financial institutions, namely sharia fintech, sharia banking, sharia capital markets, and sharia IKNB, shows the existence of sharia economics in Indonesia. Islamic economics can influence the national economy. In addition, it is expected that sharia economic practices can overcome the various challenges

faced by the national economy during the covid-19 pandemic. To maximize national economic recovery, the Muslim community must support the Islamic economy by making them leaders in Islamic business or financial management (Rohmatillah, 2022).

Conclusion And Suggestion

Fintech has a huge impact on various sectors, including the growth of a country's economy, people's behaviour, the labour sector, financial management, and people's income. Indonesian people, especially Islamic people, are expected to be wise in using fintech. Choose a fintech company that is legal and registered with OJK, especially sharia fintech for Islamic communities in Indonesia because it has implemented its performance procedures based on sharia principles. Fintech companies in Indonesia are a shifting process in the digital Islamic economy industry and banking, which means a shift from financial and banking practices that were originally dominated by conventional systems to digital-based systems and with regard to sharia principles. The sharia principles include, namely: prohibition of usury in the form of interest and foreign exchange transactions (*riba dhamanah*), prohibition of gambling (*maisir*), and activities that contain uncertainty (*gharar*).

From the results of the above conclusions, there are suggestions from the author, namely expecting fintech in Indonesia to make a positive contribution to Indonesia's economic growth and for its people so that fintech can be used for various financial and banking transaction activities as well as the public can invest their money safely. The author also hopes that the government will always provide positive education to the public about the existence of sharia fintech and sharia capital and investment markets that use digital technology-based applications and provide a deterrent effect to institutions that provide investment services and illegal online loans that are not officially registered with the OJK. This research only examines the literature review of previously written and limited research so that ongoing research is needed on the impact of fintech with different theories and get the latest findings regarding the impact of fintech on the economic behaviour of Islamic societies in Indonesia in investing and managing finances.

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