
Globalization and the Development of Sharia Financial Technology in Indonesia

**Angga Syahputra^{1*}, Kaswinata², Hendri Tanjung³,
Nur Ahmadi Bi Rahmani⁴, Dzuljastri⁵**

anggasyahputra@iainlhokseumawe.ac.id^{1*}

Institut Agama Islam Negeri Lhokseumawe^{1*}, Jl. Medan-Banda Aceh, Lhokseumawe, Aceh, Indonesia
STEBIS Al-Ulum Terpadu², Jl. Tuasan, Medan, Sumatera Utara, Indonesia

Universitas Ibn Khaldun³, Jl. K.H. Sholeh Iskandar Raya, Kedung Badak, Bogor, Jawa Barat, Indonesia

UIN Sumatera Utara⁴, Jl. IAIN Sutomo Ujung No. 1, Medan, Sumatera Utara, Indonesia

International Islamic University Malaysia⁵, Gombak St P.O. Box 10, 50728 Kuala Lumpur, Malaysia

Received Date : 29.10.2023

Revised Date : 08.11.2023

Accepted Date : 22.12.2023

ABSTRACT

This study identifies the factors influencing the growth of Sharia FinTech globally, analyzes its impact on the Muslim community in Indonesia, and explores the challenges and opportunities faced by the financial industry and regulators. The research adopts a qualitative descriptive research method using secondary data sources. The results indicate that Sharia FinTech has enhanced the accessibility of financial services in Indonesia. Innovative products and services in Sharia FinTech create broader financial inclusion and support the growth of the Sharia economy. This research provides deep insights for policymakers, regulators, and participants in the financial industry to effectively and sustainably manage the development of Sharia FinTech amid the dynamics of globalization.

Keywords : **Globalization; Technology; FinTech; Islamic FinTech; Islamic Finance**

ABSTRAK

Studi ini mengidentifikasi faktor-faktor yang mempengaruhi pertumbuhan FinTech Syariah secara global, menganalisis dampaknya terhadap masyarakat Muslim di Indonesia, dan mengeksplorasi tantangan serta peluang yang dihadapi oleh industri dan regulator keuangan. Penelitian ini menggunakan metode penelitian kualitatif deskriptif dengan sumber data sekunder. Hasil penelitian menunjukkan bahwa FinTech Syariah telah meningkatkan aksesibilitas layanan keuangan di Indonesia. Inovasi produk dan layanan FinTech Syariah menciptakan inklusi keuangan yang lebih luas dan mendukung pertumbuhan ekonomi syariah. Penelitian ini memberikan wawasan mendalam bagi pembuat kebijakan, regulator, dan pelaku industri keuangan untuk mengelola perkembangan FinTech Syariah secara efektif dan berkelanjutan di tengah dinamika globalisasi.

Kata Kunci : **Globalisasi; Teknologi; FinTech; FinTech Syariah; Keuangan Syariah**

INTRODUCTION

In an era of ever-evolving globalization, the financial sector has become one of the most influenced areas. Globalization opens the door to cross-border interactions, international trade, and knowledge exchange (Ullah, Nobanee, & Iftikhar, 2023), including the rapid development of Financial Technology (FinTech). This phenomenon includes not only developed countries, but also developing countries that are increasingly involved in the global economic network.

FinTech is a knowledge acquisition, knowledge integration, and knowledge connectivity capability that impacts the global value creation capability of multinational corporations, which in turn impacts global competitive advantage under the influence of financial investment and technology adoption as moderators (Chatterjee, Chaudhuri, Grandhi, & Galati, 2023).

The impact of Financial Technology (FinTech) on global value creation capabilities can be understood through a conceptual model that describes the transformation and paradigm shift in the global financial ecosystem. In developed countries and Indonesia, the phenomenon of Sharia Financial Technology (Sharia Fintech) is becoming increasingly prominent as a result of rapid developments in the financial and technology sectors.

In the global scenario, developed countries are adopting Islamic Fintech as a response to the growing market demand for financial services that are compliant with Shariah principles. This adoption comes as an attempt to tap the huge market potential among the growing Muslims and enhance financial inclusion amidst the global digital transformation.

In Indonesia, Sharia Fintech is a driver of technology-based economic growth, stimulating financial inclusion among people underserved by the conventional financial system. This development is driven by government policies that support fintech innovation, increasing awareness of Islamic financial principles, and high demand from market segments that are sensitive to Shariah compliance. Initially, Fintech emerged as a key driver of change in the financial sector.

Technological innovations enable the emergence of new platforms and infrastructure that fundamentally accelerate the access and efficiency of financial services. These can be illustrated as foundations or "FinTech Enablers" that provide the foundation for transformation. Over time, the traditional paradigm of finance began to shift. People and businesses began to adopt new ways of interacting with their money and assets. This process created a "Paradigm Shift" where Fintech not only optimized existing processes, but also created new business models and increased consumer engagement.

One of the most striking results of this shift is greater financial inclusion. Fintech is opening doors to those who were previously excluded from traditional financial services. This inclusion is a key element in "Fintech's Impact on Global Value Creation Capability," as it expands access and participation in the global economy.

Along with inclusion, operational efficiency is becoming increasingly important. Companies are using FinTech to automate processes, reduce operational costs, and increase productivity. These innovations create "Operational Efficiency" which, in turn, contributes to global value creation by improving competitiveness and profitability.

Not only that, Fintech also drives "Product and Service Innovation." Financial and technology companies create new products that better suit evolving market needs. This creates added value and accelerates the adoption of innovation at a global level. The importance of "Global Collaboration" is also becoming clear.

Fintech enables companies to engage in a wider global network, creating new opportunities for growth and shared value creation. However, challenges arise in the form

of data security and privacy, as well as the expansion of regulations to ensure sustainable growth. As a result of all this, the conceptual model of Fintech forms the basis for understanding its impact on global value creation capabilities, illustrating the evolution from technological foundations to paradigm transformation, financial inclusion, operational efficiency, product innovation and global collaboration. One of the interesting aspects of FinTech development is the growth of Islamic FinTech (i-FinTech).

Islamic FinTech is a form of financial innovation that combines Islamic financial principles with digital technology, creating financial products and services that comply with Islamic law. In the context of globalization, Islamic FinTech not only reflects the development of financial technology, but also introduces ethical dimensions and religious values in the global financial process (Karim, Naeem, & Abaji, 2022).

Moreover, integrating FinTech into Islamic finance can benefit the unbanked and small-medium enterprises. The adoption of FinTech in Islamic finance will also help the government increase financial inclusion, overcome the financial crisis, and achieve sustainable development goals (SDGs) (Alshater, Saba, Supriani, & Rabbani, 2022; Rabbani, et al., 2021).

The growth of Islamic Financial Technology is a response to the demands of increasingly savvy and open-minded Muslim consumers, who seek financial solutions that are compatible with their religious beliefs. The development of FinTech has even made data collection and information sharing easier, changed how funds are mobilized and allocated, and increased capital raising activities (Sanga & Aziakpono, 2023).

In this context, the study of the influence of globalization on the development of Islamic Financial Technology is highly relevant. By understanding the impact of globalization on Islamic FinTech, we can understand how Islamic financial markets have adapted to global dynamics and how technology has helped expand access to Islamic financial services in different countries.

Through this research, we aim to explore the role of globalization in changing the paradigm of Islamic finance through Islamic FinTech. We will identify the factors influencing the growth of Islamic FinTech at the global level, analyze its impact on the Muslim community in Indonesia, and explore the challenges and opportunities faced by industry players and financial regulators in the face of this globalization.

RESEARCH METHOD

This research is a qualitative research. In this research, we will use a comprehensive descriptive analysis method to explain in detail the development of Islamic Financial Technology in various countries.

In this way, this research is expected to provide deep insight into how globalization has shaped and continues to shape Islamic Financial Technology, as well as provide recommendations that can provide guidance for governments, regulators, and financial industry players in managing this development wisely and sustainably.

The research on the development of Islamic Financial Technology (IFT) will employ a comprehensive descriptive analysis method to elucidate the intricate evolution of IFT in diverse countries. The research methodology for this study involves a systematic approach comprising six key steps.

First and foremost is the Data Collection phase, where secondary data will be gathered from diverse sources such as previously published research, academic journals, conference proceedings, relevant books, and reputable websites. This approach aims to establish a robust foundation of existing knowledge pertaining to the development of Islamic Financial Technology (IFT). Subsequently, in the Data Analysis stage, a thorough

examination of trends, patterns, and key features within the collected information will be conducted.

Both quantitative and qualitative data analysis methods will be employed to extract meaningful insights into the development of IFT. Following this, the Data Interpretation step involves synthesizing the analyzed information to derive meaningful interpretations and understand the implications of the findings. The subsequent stage, Conclusion Drawing, will be based on the analyzed and interpreted data, summarizing key findings and delineating the broader implications of globalization on the development of IFT.

Moving forward, the Recommendations phase aims to provide guidance to governments, regulators, and stakeholders in the financial industry for managing the development of IFT in a prudent and sustainable manner. Finally, the research method is designed to offer a Comprehensive Understanding by combining qualitative data from various sources, providing a nuanced and detailed perspective on how globalization has influenced and continues to influence Islamic Financial Technology.

Usefulness for Stakeholders. The ultimate goal is to create insights that are not only academically valuable but also practically useful for policy makers, regulators, and financial industry players. The research aims to contribute to effective management strategies for the development of Islamic Financial Technology in the context of globalization.

RESULTS AND DISCUSSION

Research Results

FinTech (Financial Technology) is an emerging field in the financial world. The term refers to the use of technology to significantly improve financial services, either gradually or drastically (Alshater M. M., 2020; Thakor, 2020). According to the Financial Stability Board (2020), FinTech is technology-enabled financial innovation, encompassing new business models, applications, processes or products that have a significant impact on markets, financial institutions and financial service providers.

Islamic FinTech, in contrast, emphasizes compliance with sharia principles and a particular focus on sharia-compliant Islamic institutions or countries (Alshater M. M., 2020). The use of the term "Islamic" is used to distinguish between conventional FinTech operators and Shariah-compliant FinTech operators. This distinction is important because there are many differences in the FinTech business model between the two systems.

For example, interest-based P2P lending, which is one of the most common FinTech business models, is usually incompatible with Islamic financial principles as it involves the element of *riba*, which is prohibited in the Islamic financial system (Alshater, Saba, Supriani, & Rabbani, 2022).

Through this research, various significant results have been found regarding the impact of globalization on the development of Islamic Financial Technology.

Improved Financial Accessibility

The presence of FinTech in Indonesia brings a number of benefits, especially in areas where people are unbanked, often referred to as the "unbankable." FinTech enables access to financial services through technology, so that even in remote areas, residents can obtain financial services that were previously difficult to access. This creates broader financial inclusion, allowing more people to manage their finances more efficiently and safely (Dwijayanti & Zulfikar, 2022).

In recent years, Islamic FinTech has emerged as an important driving force in the Islamic finance industry. The Islamic FinTech industry continues to grow steadily,

providing a significant positive impact. Through innovation and technology, Islamic FinTech has increased people's access to Islamic financial services, created wider financial inclusion, and provided rich investment opportunities for the community.

The rise of Islamic FinTech not only strengthens the financial sectors of the countries concerned, but also has the potential to make them global financial centers focused on sustainable development goals. By utilizing sharia principles, Islamic FinTech makes an important contribution to creating an inclusive, sustainable, and ethical financial system (Glavina, Aidrus, & Trusova, 2021).

Globalization has opened the door to the accessibility of Islamic finance around the world. Through Islamic FinTech platforms, Muslim communities in countries that previously had limited access to Islamic financial services can now easily access Islamic financial products and services, such as microfinance and Islamic credit cards (Azman, Zabri, Masron, & Malim, 2020).

Product and Service Innovation

The impact of globalization on FinTech can be seen in the innovation of Islamic financial products and services. Islamic FinTech companies today continue to develop products that meet the needs of the global market, including Islamic investment, Islamic insurance, and Islamic crowdfunding. These innovations are driving the growth of the Islamic finance sector as a whole. The prospects for Islamic FinTech are bright, especially in countries with a majority Muslim population.

This new movement in the Islamic finance industry is driven by technological developments, especially the increasing use of smartphones. The presence of Islamic FinTech not only provides financial solutions that comply with sharia principles, but also capitalizes on the ease of access through mobile devices to provide faster, easier, and more inclusive financial services to Muslim communities around the world. With the widespread penetration of smartphones, Islamic FinTech has great potential to continue to grow and make a positive contribution to the economic development and financial inclusiveness of Muslims (Firmansyah & Anwar, 2019).

FinTech is a form of non-bank financial service innovation that is progressing, and is becoming a popular alternative for people to access financial services. In Indonesia, the opportunity for the development of Islamic FinTech is very high, especially because of its Muslim population, which is the largest Muslim population in the world. This creates a large market share for sharia FinTech, as the Muslim community seeks financial solutions that comply with sharia principles and FinTech technology allows them to do so more easily and efficiently (Yahya, 2020).

People see Islamic FinTech as a very useful solution for various financial transactions. They feel satisfied with Islamic FinTech products because these products not only use digital technology that makes it easy, but also comply with sharia principles. The existence of this Islamic financial technology has changed people's views and behavior, encouraging them to continue using the product in their various transactions and businesses. This reflects a positive acceptance of the combination of modern technology and sharia values in everyday life (Wijayanti & Pradipta, 2017).

Development of Islamic Financial Infrastructure

Globalization has successfully encouraged the development of Islamic financial infrastructure. Many countries that previously did not have a strong Islamic financial infrastructure are now developing more robust Islamic banking and financial systems to support the growth of Islamic FinTech. Globally, there is a widespread effort to mobilize international financial resources within a Shariah-compliant framework.

The principles of Islamic finance require consistency of all transactions with Islamic moral and ethical principles (Biancone & Radwan, 2018). In this context, Islamic FinTech is emerging as an innovative solution that connects the need for broad financial inclusion with the principles of Islamic finance.

Islamic FinTech, by utilizing digital technology, delivers Shariah-compliant financial services and strengthens Islamic financial infrastructure globally. Through Islamic FinTech platforms, people who were previously inaccessible to conventional financial services can easily access financial products and services that comply with sharia principles.

In this case, Islamic FinTech plays a role in strengthening the Islamic financial infrastructure, helping to build an inclusive financial ecosystem in accordance with Islamic values, while supporting the growth of the Islamic economy and finance globally. By embracing Islamic FinTech, the public can gain easier and faster access to Islamic financial products, while the global economy gets the opportunity to mobilize financial resources based on consistent and sustainable Islamic financial principles (Pandey, Hassan, Kumari, Zaied, & Rai, 2024).

In the midst of globalization, Islamic FinTech is now an important solution in strengthening the economy and developing Islamic financial infrastructure. By utilizing digital technology, Islamic FinTech provides easy and fast access to financial services that comply with sharia principles. This not only improves financial inclusion for the Muslim community, but also supports the growth of the Islamic finance sector as a whole. Through innovation, efficiency, and inclusion introduced by Islamic FinTech, the economic potential and development of Islamic financial infrastructure can be optimally utilized, providing a positive impact in building a sustainable and inclusive economy (Yudhira, 2021).

Discussion

FinTech, short for "Financial Technology," refers to financial solutions that are enhanced by technology. It is a new combination of financial services and information technology. This relationship between finance and technology has evolved through three distinct eras: first in an analog context, then through the digitization of finance in the late 20th century, and since 2008, a new era of FinTech in both developed and developing countries.

This era is characterized not by the financial products or services provided, but rather by the provision and rapid adoption of technology at various levels. However, recent developments in the FinTech world, especially those led by startups, pose challenges for regulators and market participants. These challenges are mainly related to how to balance the potential benefits of innovation with the risks that may arise from these new approaches (Arner, Barberis, Nathan, & Buckley, 2015).

Regulatory Harmonization

Although globalization has brought great opportunities for Sharia FinTech, there are still challenges in terms of regulatory harmonization. This shift in the business world has entered into all aspects that also affect the progress in the world of economic transactions (Perwira, 2018). Different countries have different regulatory frameworks for Islamic finance and financial technology.

Therefore, it is important to create a uniform and coherent regulatory framework at the international level to facilitate sustainable growth.

FinTech is one of the latest innovations in the financial services industry, including Islamic finance, and is experiencing rapid growth. This growth is driven by the sharing economy, supportive regulations, and advances in information technology. Demand for

FinTech solutions is amplified by rapid technology adoption, high mobile phone usage rates, increasing internet penetration, urbanization, high literacy rates, as well as a young population and consumer segments and Small and Medium Enterprises (SMEs) that are underserved by traditional banking solutions.

While FinTech brings great opportunities in the Islamic finance industry, it also faces a number of legal and regulatory issues and challenges. Rapid innovation in the financial industry can result in disruption if not properly regulated. Therefore, regulators and supervisors must consider these issues and challenges in order to support the development of a resilient and sustainable Islamic financial system. By addressing these challenges, FinTech can be a driving force for the sustainable growth of Islamic finance (Miskam & Eksan, 2018).

Indonesia is the country with the largest Muslim population in the world. However, Indonesia's Islamic FinTech market size is still below Saudi Arabia, Iran, the United Arab Emirates (UAE), and Malaysia. Saudi Arabia's Islamic FinTech is the largest market in the world, with a transaction value of \$17.9 billion in 2020, while Iran's reached \$9.2 billion, UAE's \$3.7 billion, Malaysia's \$3.0 billion, and Indonesia's \$2.9 billion.

This is due to various challenges in the Islamic fintech industry in Indonesia, including inadequate regulations, complicated licensing procedures, misuse of FinTech to fund terrorism, rampant illegal FinTech businesses, and consumer disputes in the fintech sector. These challenges require the development of a comprehensive legal framework through the establishment of a Law on FinTech (Muryanto, Kharisma, & Ciptorukmi Nugraheni, 2022).

Legal regulations must be constantly updated to address innovations in the Islamic FinTech industry, taking into account sharia principles and user needs. Despite significant legal challenges, proper regulation can be a way to facilitate the further development of Islamic FinTech. By combining regulatory precision and sharia principles, regulators can create an environment conducive to the growth of innovation and sustainability of the Islamic FinTech industry, providing confidence to the public and protecting their rights while encouraging the advancement of the industry in accordance with the principles of Islamic finance (Gani, 2023).

On the other hand, related to the preparation of special regulations for Islamic FinTech, there are matters that need to be included in the regulations, including clarification of terms related to Islamic FinTech, principles, objectives, and functions, forms of legal entities, ownership, and capital, types and business activities, licensing processes, electronic documents, governance, prudential principles, risk management, Islamic supervision, and aspects of dispute resolution.

Overcoming these challenges requires cooperation between the government, regulators, and sharia FinTech industry players to create a clear regulatory framework that supports sustainable development in this industry (Habibunnajar & Rahmatullah, 2020).

The Importance of Financial Literacy

In the face of globalization, financial literacy is key. People need to be educated about Islamic finance and its benefits. Improved financial literacy can help people understand Sharia FinTech products and services better, so they can make smart financial decisions that are in line with Sharia principles.

As the world's eighth-largest economy in terms of Gross Domestic Product (GDP) and with more than 50% internet participation rate and more than 50 million Micro, Small and Medium Enterprises (MSMEs), the country has great potential in FinTech. In 2017, a total of \$1.62 million was disbursed through 11 local peer-to-peer (P2P) platforms.

However, despite the huge potential, the country is still faced with major challenges, namely low financial inclusion and a large financing gap among MSMEs. By improving the understanding of financial products and FinTech, it is expected that better financial inclusion will be created and MSMEs will be able to utilize FinTech for their business growth and development (Batunanggar, 2019).

Increasing sharia literacy is very important, and this can be achieved by providing an understanding that sharia is a label and characteristics that include theory and practice. The validity of an Islamic product or service is measured based on the extent to which the elements of sharia are fulfilled.

Thus, this approach encourages a deeper understanding of sharia principles and values, and helps people understand that the halalness of a product or service is not only based on its name or label, but also the extent to which it conforms to the true principles of sharia (Aziz, 2020).

Ethics and Trust Challenges

One of the many important reasons that led to the growth of Islamic finance in the previous decade was its business model that had proven its worth, and value by avoiding the sub-prime crisis. The loss of trust in the conventional banking industry, global penetration of the internet and technology, lack of accessibility of funds for everyone regardless of track record with banks, speed of transactions, transaction costs, and customers' desire for a trustworthy financial system, among other reasons are the main incentives behind the growth and expansion of Islamic fintech (Alam, Gupta, & Zamani, 2019).

Any innovation in technology is permissible in Islam, as long as it complies with sharia rules. Along with the growth of Islamic FinTech come challenges related to ethics and trust. It is important for industry players to ensure transparency, integrity and adherence to sharia principles in all aspects of their business. Public trust is key to the long-term success of Islamic FinTech (Karim, Rabbani, Rashid, & Anwer, 2022).

The growth of FinTech raises important questions around how Shariah principles can be integrated into these technology platforms. In this context, it is important to consider the principles of Maqasid al-Shari'ah which asserts that financial transactions should not harm society. This involves applying financial ethics that include trust and integrity in every transaction (Chong, 2021).

Islamic finance offers an alternative financial system that prohibits the use of interest and other economic exploitation and intends to establish a fair and equitable economic system. The industry has experienced tremendous growth, especially in countries that are systemically important to Islamic finance in the Middle East, North Africa, Southeast Asia, South Asia, and Central Asia. FinTech has emerged as a major game changer in the financial sector globally, with a focus on deregulating/personalizing financial transactions with lower costs for customers and stable revenues for financial institutions (Rabbani, Hassan, & Rashid, 2022).

FinTechs must ensure that the technologies they develop are not only compliant with Shariah principles, but also reflect ethical values and integrity. This includes ensuring transparency in every transaction, maintaining the confidentiality of customer data, and providing fair and honest customer service. Public trust in Shariah FinTech relies heavily on the extent to which the platform adheres to maqasid al-shari'ah principles and ensures that the financial transactions conducted do not harm society, either economically or morally. By upholding ethics and integrity, Islamic FinTech can build strong customer trust, which in turn will support the growth and sustainability of the Islamic finance industry (Ajouz & Abuamria, 2023).

Simply put, research shows that financial technology or FinTech is closely related to key teachings in Islam and the principles of Islamic finance. This makes Islamic financial institutions interested in investing in FinTech. They share similar goals such as transparency, investing for social benefits, protecting community wealth and the environment, taking into account the human factor, and reducing problems related to money, labor, and time. In other words, FinTech and Islamic finance share the same vision of creating a fair, transparent and ethical financial system, which can help solve trust and ethical challenges in the financial world. By combining these principles, FinTech can be a solution to build a better financial system that complies with Islamic values (Unal & Aysan, 2022).

In the context of globalization, Islamic Financial Technology is not only a response to market demand, but also a bridge that connects Muslim communities around the world with financial services that are in accordance with their religious values and beliefs. Therefore, further discussions and actions in supporting the development of Islamic FinTech should take into account these aspects, so that the sustainability and inclusiveness of Islamic finance can be achieved globally.

CONCLUSION

In the era of globalization, Islamic Financial Technology (Islamic FinTech) has become an important driving force in the transformation of Islamic finance globally. By utilizing technological innovation, Islamic FinTech has opened the door to wider access to Islamic financial services, stimulated product innovation, and provided financial solutions that comply with sharia principles for Muslim communities around the world.

However, challenges related to regulatory harmonization, increasing Islamic financial literacy, and trust and transparency remain a key focus. Through cross-border cooperation, infrastructure development, and increased public awareness, Islamic FinTech has great potential to continue strengthening financial inclusiveness, supporting economic growth, and building trust in the global Islamic finance ecosystem.

RECOMMENDATION

This research investigates the impact of globalization on the development of Sharia Financial Technology (Sharia FinTech) in various countries, with a particular focus on Indonesia. The phenomenon of globalization, which opens the door to cross-border interaction and knowledge exchange, has affected the financial sector, including the rapid development of Financial Technology (FinTech). Sharia FinTech, which combines Islamic financial principles with digital technology, offers financial solutions that comply with Islamic law. This research reveals that the impact of globalization on Islamic FinTech includes increased financial accessibility, product and service innovation, and the development of Islamic financial infrastructure. Financial accessibility increases through Islamic FinTech platforms, enabling wider financial inclusion especially for people who previously did not have access to financial services. Product and service innovation in Islamic finance continues to grow, involving Islamic investment, Islamic insurance, and Islamic crowdfunding, supporting the overall growth of the Islamic finance sector. The development of Islamic finance infrastructure is also driven by Sharia FinTech, helping to build a financial ecosystem that is inclusive and compliant with Islamic values.

However, the research also highlights challenges in regulatory harmonization, which requires a uniform regulatory framework at the international level. It is also important to develop specialized regulations for Islamic FinTech, taking into account Shariah principles

and user needs. In addition, this research emphasizes the importance of Islamic financial literacy, especially among people who use Islamic FinTech services. This research provides deep insights into how globalization has shaped and continues to shape Islamic FinTech, strengthening financial inclusion and supporting the growth of the Islamic finance sector. The implications of this research provide guidance for the government, regulators, and financial industry players in managing the development of Islamic Financial Technology wisely and sustainably, so that it can provide maximum benefits to society.

REFERENCES

- Ajouz, M., & Abuamria, F. (2023). Unveiling the Potential of the Islamic Fintech Ecosystem in Emerging Markets. *Al Qasimia University Journal of Islamic Economics*, 3(1), 115-148. doi:<https://doi.org/10.52747/aqujie.3.1.219>
- Alam, N., Gupta, L., & Zamani, A. (2019). Challenges and Success Factors for Islamic Fintech. In *Fintech and Islamic Finance*. Cham: Palgrave Macmillan. doi:https://doi.org/10.1007/978-3-030-24666-2_9
- Alshater, M. M. (2020). Financial Technology Developments and their Effect on Islamic Finance Education. *Journal of King Abdulaziz University: Islamic Economics*, 33(3), 161-187. doi:10.4197/Islec.33-3.9
- Alshater, M. M., Saba, I., Supriani, I., & Rabbani, M. R. (2022). Fintech in islamic finance literature: A review. *Heliyon*, 8(9), e10385. doi:<https://doi.org/10.1016/j.heliyon.2022.e10385>.
- Arner, D. W., Barberis, Nathan, J., & Buckley, R. P. (2015). The Evolution of Fintech: A New Post-Crisis Paradigm? *UNSW Law Research*. University of Hong Kong Faculty of Law Research.
- Aziz, F. A. (2020). Menakar Kesyariahan Fintech Syariah di Indonesia. *Al-Manahij: Jurnal Kajian Hukum Islam*, 14(1), 1-18. doi:<https://doi.org/10.24090/mnh.v14i1.3567>
- Azman, N. H., Zabri, M. Z., Masron, T. A., & Malim, N. A. (2020). The utilisation of Islamic fintech (I-Fintech) in promoting sustainable inclusive growth: Evidence from micro-entrepreneurs in Malaysia. *Journal of Islamic Monetary Economics and Finance*, 6(3), 555 - 576. doi:<https://doi.org/10.21098/jimf.v6i3.1180>
- Batunanggar, S. (2019). *Asian Development Bank Institute (ADB)*. Retrieved from Fintech development and regulatory frameworks in Indonesia : <https://econstor.eu/handle/10419/222781>
- Biancone, P. P., & Radwan, M. (2018). Sharia-Compliant financing for public utility infrastructure. *Utilities Policy*, 52, 88-94. doi:<https://doi.org/10.1016/j.jup.2018.03.006>.
- Chatterjee, S., Chaudhuri, R., Grandhi, B., & Galati, A. (2023). Evolution of strategy for global value creation in MNEs: Role of knowledge management, technology adoption, and financial investment. *Journal of International Management*, 29(5), 101057. doi:<https://doi.org/10.1016/j.intman.2023.101057>
- Chong, F. (2021). Enhancing trust through digital Islamic finance and blockchain technology. *Qualitative Research in Financial Markets*, 13(3), 328-341. doi:<https://doi.org/10.1108/QRFM-05-2020-0076>
- Dwijayanti, N., & Zulfikar, M. I. (2022). The Role of Islamic Fintech P2PL in Increasing Inclusion and Financial Literacy of MSMEs. *Journal of Islamic Finance*, 11(1), 94-101.
- Financial Stability Board. (2020). *FSB Financial Statements*. Retrieved from <https://www.fsb.org/wp-content/uploads/R240820.pdf>

- Firmansyah, E. A., & Anwar, M. (2019). Islamic Financial Technology (Fintech): Its Challenges and Prospect. *Proceedings of the Achieving and Sustaining SDGs 2018 Conference: Harnessing the Power of Frontier Technology to Achieve the Sustainable Development Goals (ASSDG 2018)* (pp. 52-58). Atlantis Press. doi:10.2991/assdg-18.2019.5
- Gani, A. A. (2023). Perkembangan Fintech Syariah dan Regulasi Hukum: Sebuah Kajian Literatur. *Jurnal Ilmu Akuntansi dan Bisnis Syariah (AKSY)*, 5(1), 157-165. doi:https://doi.org/10.15575/aksy.v5i1.26428
- Glavina, S., Aidrus, I., & Trusova, A. (2021). Assessment of the Competitiveness of Islamic Fintech Implementation: A Composite Indicator for Cross-Country Analysis. *J. Risk Financial Manag*, 14(2), 602. doi:https://doi.org/10.3390/jrfm14120602
- Habibunnajar, R., & Rahmatullah, I. (2020). Problematika regulasi pinjam meminjam secara online berbasis syariah di Indonesia. *Jurnal Legal Reasoning*, 2(2), 120-134. doi:https://doi.org/10.35814/jlr.v2i2.2225
- Hassan, M. K., & Lewis, M. K. (2007). *Handbook of Islamic Banking*. UK: Edward Elgar Publishing Limited.
- Karim, S., Naeem, M. A., & Abaji, E. E. (2022). Is Islamic FinTech coherent with Islamic banking? A stakeholder's perspective during COVID-19. *Heliyon*, 8(9), e10485. doi:https://doi.org/10.1016/j.heliyon.2022.e10485
- Karim, S., Rabbani, M., Rashid, M., & Anwer, Z. (2022). COVID-19 Challenges and the Role of Islamic Fintech. In M. Hassan, M. Rabbani, & M. Rashid (Eds.), *FinTech in Islamic Financial Institutions*. Cham: Palgrave Macmillan. doi:https://doi.org/10.1007/978-3-031-14941-2_16
- Miskam, S., & Eksan, S. H. (2018). Big Data and Fintech in Islamic finance: Prospects and challenges. *4th Muzakarah Fiqh & International Fiqh Conference (MFIFC 2018)*, (pp. 12-23). Kuala Lumpur.
- Muryanto, Y., Kharisma, D., & Ciptorukmi Nugraheni, A. (2022). Prospects and challenges of Islamic fintech in Indonesia: a legal viewpoint. *International Journal of Law and Managemen*, 64(2), 239-252. doi:https://doi.org/10.1108/IJLMA-07-2021-0162
- Pandey, D. K., Hassan, M., Kumari, V., Zaied, Y. B., & Rai, V. K. (2024). Mapping the landscape of FinTech in banking and finance: A bibliometric review. *Research in International Business and Finance*, 102116. doi:https://doi.org/10.1016/j.ribaf.2023.102116.
- Perwira, A. Y. (2018). Eksistensi Fintech Syariah di Indonesia. *Jurnal Hukum Ekonomi Islam*, 2(1), 32-43.
- Rabbani, M. R., Bashar, A., Nawaz, N., Karim, S., Ali, M. A., Rahiman, H. U., & Alam, M. S. (2021). Exploring the Role of Islamic Fintech in Combating the Aftershocks of COVID-19: The Open Social Innovation of the Islamic Financial System. *Journal of Open Innovation: Technology, Market, and Complexity*, 7(2), 136. doi:https://doi.org/10.3390/joitmc7020136
- Rabbani, M., Hassan, M., & Rashid, M. (2022). Introduction to Islamic Fintech: A Challenge or an Opportunity? In M. Hassan, M. Rabbani, & M. Rashid (Eds.), *FinTech in Islamic Financial Institutions*. Cham: Palgrave Macmillan. https://doi.org/10.1007/978-3-031-14941-2_1
- Sanga, B., & Aziakpono, M. (2023). FinTech and SMEs financing: A systematic literature review and bibliometric analysis. *Digital Business*, 3(2), 100067. doi:https://doi.org/10.1016/j.digbus.2023.100067.
- Thakor, A. V. (2020). Fintech and banking: What do we know? *Journal of Financial Intermediation*, 41, 100833. doi:https://doi.org/10.1016/j.jfi.2019.100833

- Ullah, S., Nobanee, H., & Iftikhar, H. (2023). Global financial integration, governance-by-technology, and green growth. *International Review of Financial Analysis*, 90, 102838. doi:<https://doi.org/10.1016/j.irfa.2023.102838>.
- Unal, I., & Aysan, A. (2022). Fintech, Digitalization, and Blockchain in Islamic Finance: Retrospective Investigation. *FinTech*, 1(4), 388-398. doi:<https://doi.org/10.3390/fintech1040029>
- Wijayanti, D. M., & Pradipta, H. (2017). Sharia Fintech: Positive innovation in consumer perspective. *International Seminar Academic Network on Competition Policy* (p. 101). Nusa Dua, Bali: KPPU.
- Yahya, A. (2020). Sharia Fintech Development in Indonesia. *Proceedings of the 1st International Conference on Economics Engineering and Social Science*. Bekasi, Indonesia. doi:<http://dx.doi.org/10.4108/eai.17-7-2020.2302984>
- Yudhira, A. (2021). Analisis Perkembangan Financial Technology (Fintech) Syariah Pada Masa Pandemi Covid-19 di Indonesia. *VALUE*, 1(2), 13-28. doi:<https://doi.org/10.36490/value.v2i1.118>