

## Regulatory Disharmony Paradigms and Patterns in Islamic Finance: Integrative Strategy for Islamic Law-Based Transformation

Ahmad Zulkifli Affandi, Kurniati, Musyfikah Ilyas

Universitas Islam Negeri Alauddin Makassar, Indonesia

Email: ahmadzulkifli@gmail.com, kurniati@uin-alauddin.ac.id,  
musyfikah.ilyas@uinalauddin.ac.id

### ABSTRACT

#### KEYWORDS

bank-fintech  
collaboration; financial  
regulatory  
harmonization; inter-  
agency coordination;  
Islamic law; Sharia  
fintech

*This study aims to analyze the patterns of regulatory disharmony in Indonesia's Sharia digital economy and propose an integrative harmonization strategy based on Islamic law principles to strengthen institutional synergy, legal certainty, and sector competitiveness. This normative-juridical research employs a qualitative descriptive-analytical approach, using secondary data from laws, regulations, fatwas, official reports, and academic literature. Data were analyzed through content and thematic analysis to identify regulatory gaps and formulate policy recommendations. The study identifies four main patterns of disharmony: (1) delayed DSN-MUI fatwas on fintech innovations, (2) dual OJK-BI authority in bank-fintech supervision, (3) unclear regulations on blockchain and smart contracts, and (4) vulnerability to Sharia-based fraud. These issues stem from weak coordination among OJK, BI, DSN-MUI, the Ministry of Cooperatives, and the Ministry of MSMEs. Regulatory harmonization is essential to unlock the full potential of Indonesia's Sharia digital economy. An integrative strategy involving a Regulatory Harmonization Task Force, an integrated information system (SITRFES), joint SOPs, and a phased implementation roadmap (2026–2031) is proposed to enhance coordination, accelerate innovation, and ensure Sharia compliance. The findings offer actionable insights for policymakers and regulators to strengthen cross-institutional synergy, improve legal certainty, and position Indonesia as a resilient and competitive global hub for Islamic finance. Lessons from Malaysia's BNM-SAC model and the UAE's DFSA-HSA framework provide valuable benchmarks for implementation.*

### INTRODUCTION

The growth of the *sharia* economy in Indonesia shows rapid development and has become one of the important pillars in the national economy (Kurniawan et al., 2025). By 2024, total Islamic financial assets reached Rp9,927 trillion, equivalent to 45% of the national gross domestic product (GDP). For the first quarter of 2025, Islamic financial assets were recorded at IDR 9,529.21 trillion, with a national Islamic finance market share of 25.1% of the total national financial industry (Sharia Knowledge Centre Editorial Team, 2025). This growth is not only driven by traditional Islamic finance but also by the expansion of the Islamic digital economy, which is starting to dominate the market and open vast new opportunities. However, this success cannot be separated from various complex regulatory challenges, especially fragmentation and lack of synergy between regulatory institutions such as OJK, Bank Indonesia, DSN-MUI, and the Ministry of Cooperatives and MSMEs, which hinder responses to innovation and create legal uncertainty for business actors (Sulaiman et al., 2025). Therefore, an in-depth study of the role of Islamic law as a catalyst in harmonizing *sharia* digital economy policies is very urgent amid Indonesia's economic and political dynamics.

Empirical data strengthens the urgency of harmonizing *sharia* economic regulations in Indonesia. Based on the 2024 Indonesian *Sharia* Financial Development Report (*Laporan Perkembangan Keuangan Syariah Indonesia*, LPKSI) released by the OJK, the assets of the Islamic finance industry (outside of Islamic share capitalization) reached IDR 2,883.67 trillion in 2024, growing 11.67% compared to the previous year, with Islamic banking assets growing 9.88% to IDR 980.29 trillion and market share increasing to 7.72% as of December 2024 (Financial Services Authority, 2025). Despite this growth, the Islamic digital finance sector still faces complex regulatory challenges.

In the context of Islamic fintech, data from the Global Islamic Fintech (*GIFT*) Index 2024/2025, published by DinarStandard and Elipses, shows Indonesia ranking third globally with 64 Islamic fintech companies, placing it as the country with the second-largest number after Saudi Arabia, which has 72 companies (DinarStandard Elipses, 2025). However, in terms of operational regulations, OJK data as of September 2025 indicates that of the 96 licensed fintech providers of Information Technology-Based Joint Funding Services (*Layanan Pendanaan Bersama Berbasis Teknologi Informasi*, LPBBTI/P2P lending), although POJK 40/2024 and SEOJK 19/2025 have provided a more specific framework, *sharia* fintech regulations still need further refinement to accommodate sophisticated digital technology innovations based on Islamic law (CNBC Indonesia, 2025). This condition reflects the lack of adoption of *sharia* fintech compared to conventional fintech due to regulatory complexity and dual licensing.

The fragmentation of roles among Islamic economic regulatory institutions in Indonesia, especially between *DSN-MUI* and the financial authorities (OJK and Bank Indonesia), has been proven to slow the regulatory harmonization process. According to Adiwarman A. Karim, "*DSN-MUI* must be active in shaping regulatory ideas and initiatives to ensure that the *sharia* economy makes a real contribution to national development, not just adapting to existing regulations. The fragmentation of the role of *DSN-MUI* and regulatory dualism have slowed innovation and strengthened *sharia* institutions in Indonesia" (Karim, 2024). This statement emphasizes the need for a proactive (not reactive) orientation in reconstructing Indonesia's *sharia* economic regulations through a more strategic role for *DSN-MUI* as the central institution for fatwas and national policies.

This regulatory fragmentation impacts the slowing of Islamic financial technology innovation. Syafitri's research (2023) shows that of the 102 fintech lending companies verified by the OJK in 2023, only 8 operated under *sharia* principles, while the other 94 operated conventionally (Syafitri, 2023). This imbalance indicates structural barriers in the development of *sharia* fintech, including unclear consumer protection and the risk of product non-conformity with *sharia* compliance standards set by *DSN-MUI*.

Meanwhile, Indonesia's halal industry showed significant growth, with the export value of halal products reaching USD 51.4 billion in 2024, growing 1.70% year-on-year, dominated by the food and beverage sector with a contribution of 81.16% (National Committee for *Sharia* Economics and Finance, 2025). Indonesia also recorded 40 investment deals worth USD 1.60 billion in the halal economic sector in 2023, making it one of the leading halal economic investment centers alongside the UAE (Ministry of Finance of the Republic of Indonesia, 2025). However, legal uncertainty in Islamic financial regulation remains a serious obstacle to market expansion and strengthening the competitiveness of the Islamic sector at the global

level, which identifies the discrepancy between *sharia* fatwas and OJK regulations as the main source of legal uncertainty in the operations of Islamic financial institutions (Widya et al., 2024).

In facing these challenges, the development of the Islamic economy must adhere to Islamic values and principles that emphasize justice, transparency, and the public good. These principles form the foundation that directs the regulation and operation of the *sharia* economy, including the prohibition of *riba*, *gharar*, and *maysir*, as well as the mechanism of wealth redistribution through *zakat*, *infaq*, *sadaqah*, and *waqf* (Nafila, 2025). The Government of Indonesia has adopted these principles in national policies through the National Medium-Term Development Plan (*Rencana Pembangunan Jangka Menengah Nasional*, RPJMN) 2025–2029 to strengthen the role of the Islamic economy at the national and global levels (Ministry of Finance of the Republic of Indonesia & KNEKS, 2025). The implementation of these principles in effective and synergistic regulations is the key to ensuring that the *sharia* digital economy develops sustainably and inclusively.

Despite these promising prospects, the complexity of regulatory challenges remains a major bottleneck. Less-than-optimal coordination between regulatory agencies strengthens regulatory fragmentation, leading to slow adjustments to digital innovation and Islamic fintech (Yunari et al., 2025). The lack of synchronization of *sharia* compliance standards, the unclear legal umbrella for new products, and low digital literacy among business actors and the public further deepen this problem (Hafidz et al., 2025). From a political economy perspective, this fragmentation reflects a dilemma in power relations and sectoral policy-making, requiring strategic and integrative regulatory intervention.

Amid these obstacles, Indonesia has a great opportunity to establish itself as the center of the world's Islamic economy. The increasing growth of Islamic financial assets and national support for strengthening MSMEs and digital fintech are the main driving factors (Fasluki, 2023). The acceleration of digitalization opens wide market access and product innovation opportunities that meet the needs of the younger generation and global dynamics (Wani et al., 2025)<sup>1</sup>. Synergy between institutions and strengthening of applicable Islamic law-based regulations will enhance the competitiveness of Indonesia's *sharia* economy nationally and internationally.

Given the reality of regulatory fragmentation and the dualism of regulatory authority that hinder responses to Islamic financial technology innovations, this study's hypothesis states that regulatory disharmony is strongly suspected to be the main factor hindering the development of the Islamic digital economy in Indonesia. The strategy of harmonizing regulations based on Islamic law in an integrative manner is a necessary solution so that this sector can grow inclusively and globally competitively. This hypothesis will be tested through normative-juridical analysis and comparative studies of the latest regulations.

Although many studies have examined Indonesia's *sharia* economy, there is still a gap in studies that integrate the role of Islamic law as a catalyst in aligning *sharia* digital economy regulations. Previous research has been more partial and normative, less highlighting the challenges of regulatory fragmentation and the need for policy synergy across regulatory agencies. This gap creates a need for empirical and applicative studies that can encourage

adaptive and harmonious regulatory development for inclusive and sustainable *sharia* economic growth.

This study aims to analyze the role of Islamic law in synergizing Indonesia's *sharia* digital economy policies, especially in overcoming regulatory fragmentation between regulatory institutions (OJK, Bank Indonesia, *DSN-MUI*, Ministry of Cooperatives, and Ministry of MSMEs). In particular, it identifies patterns of regulatory disharmony that hinder responsiveness to digital innovation and formulates a harmonious and applicable regulatory development strategy so that the *sharia* digital economy grows inclusively and competitively. The results are expected to contribute to policymakers and regulators in optimizing integrative and responsive Islamic economic governance.

## METHOD

This research employed normative-juridical legal research (library research), focusing on a critical review of laws and regulations, *DSN-MUI* fatwas, policies, official documents, and scientific literature related to the roles of OJK, Bank Indonesia (BI), *DSN-MUI*, the Ministry of Cooperatives and MSMEs, and KNEKS in regulating Indonesia's national *sharia* economy. This method enabled identification, comparison, and in-depth analysis of disharmony points, regulatory overlap, and institutional aspects affecting Islamic economic policy effectiveness.

The research adopted a qualitative, descriptive-analytical approach. It described, analyzed, and critiqued regulatory disharmony and fragmentation, highlighting inter-institutional patterns, factors causing weak coordination, and slowed responses to *sharia* digital innovation. Thematic and content analyses dissected strategic issues in legal sources and policy documents.

Secondary data sources included sectoral laws and regulations, *DSN-MUI* fatwas, cross-agency coordination results, recent policy documents, regulatory agency reports, indexed journals, and national *sharia* economic publications. Data were collected through systematic literature searches in legal databases, academic journals, and institutional repositories.

Data analysis utilized content analysis to identify regulatory disharmony patterns and thematic analysis to trace causative factors and impacts on business actors and national *sharia* economic competitiveness. The results evaluated non-integrated regulations and recommended adaptive solutions for stakeholders.

Data validation involved source triangulation and cross-checking between literature, policy documents, and official reports to ensure accurate, consistent findings and a comprehensive view of problems and solutions in Indonesia's *sharia* digital economy regulations.

## RESULT AND DISCUSSION

Islamic law is a normative system that regulates Indonesia's economic governance based on the principles of justice, transparency, and public benefit sourced from the Qur'an, Hadith, Ijma', and Qiyas. (Sholihah et al., 2025) As a Muslim-majority country, Indonesia integrates *sharia* values in economic regulation through various legal instruments, especially in the financial and social economic sectors. (Sasongko et al., 2024) However, this integration still faces significant challenges related to harmonization between regulatory agencies that have different paradigms and regulatory mechanisms.

National political economy itself refers to the interaction between economic policy and power dynamics that determine the direction of Indonesia's economic development. (Ramadhan, 2018) Especially in the context of sharia economics, political economy includes how Islamic law is positioned within the framework of state regulations, how regulatory institutions negotiate and implement policies, and how the interests of various actors (regulators, business actors, consumers) are considered in policymaking. (Ahyani & Nurhasanah, 2020)

The sharia regulatory institutions in Indonesia—OJK, Bank Indonesia, DSN-MUI, the Ministry of Cooperatives, and the Ministry of MSMEs—should function synergistically to integrate sharia values into all aspects of digital economy regulation. However, the practice shows that inter-agency coordination is still weak, resulting in regulatory fragmentation—a condition where there are divisions and regulatory disharmony that cause sharia economic policies to often overlap, slow to respond to digital innovation, and create legal uncertainty for industry players. (Banola et al., n.d.) This fragmentation of regulations is not just an administrative issue, but reflects differences in paradigms and mechanisms of rulemaking between institutions that require in-depth analysis to identify patterns of disharmony and formulate effective harmonization strategies.

### **Paradigm and Disharmony Pattern of Sharia Economic Regulation**

The disharmony of sharia economic regulations stems from differences in paradigms and regulatory mechanisms between regulatory agencies. (Hasan, 2024) OJK, BI, DSN-MUI, THE Ministry of Cooperatives, and the Ministry of MSMEs operate under different conceptual frameworks, resulting in inconsistencies in the substance, timing, and implementation mechanisms of regulations. (Sari & Baidhowi, 2025) This paradigm difference is not just an administrative issue, but reflects the absence of an integrated epistemic in understanding and integrating Islamic law in national economic policies (Sukmana et al., 2022).

#### **1. Pattern One: Delayed Response to Digital Innovation**

DSN-MUI fatwas often appear long after sharia fintech products operate in the market, creating a temporary legal vacuum that is detrimental to business actors. (Muthmainnah & Arifin, 2025) The case of the Indonesian Sharia Fund shows the gap between DSN-MUI's sharia compliance standards and OJK's operational supervision. Reports from 1,225 lenders who reported Rp 370.66 billion in pending withdrawals show this oversight loophole, where DSN-MUI does not yet have a binding specific fatwa for DSI's business model, while the OJK does not have a real-time supervisory mechanism to monitor the liquidity of complex Islamic fintechs. This condition leaves a gray space that threatens investment security.

#### **2. Second Pattern: Dualism of Authority and Overlapping Regulations**

There is substantial disharmony between KHES and POJK in the settlement of sharia economic disputes. Weak coordination between OJK and BI in the supervision of bank-fintech collaboration creates an unsupervised zone, resulting in ineffective supervision in the cross-entity area. (Alfaris et al., 2019)

#### **3. Third Pattern: Regulatory Rigidity on Technological Innovation**

Indonesia's sharia fintech regulations have evolved from POJK 77/2016 to a more responsive framework with POJK 40/2024 and SEOJK 19/2025. This development reflects

regulatory awareness of the sector's growth. However, a significant gap remains: there are no specific regulations for digital contracts based on advanced technology (blockchain, smart contracts, AI algorithms), and coordination between DSN-MUI and OJK in fast-tracking sharia compliance fatwa is still limited. With 96 LPBBTI operators with various business complexities operating in one framework that is not yet fully accommodating, the need for a more integrative regulatory harmonization strategy is very urgent to ensure that sharia fintech grows with legal certainty, sharia compliance, and global competitiveness.

#### 4. Fourth Pattern: Vulnerability to Sharia-Style Fraud and Weak Consumer Protection

Fraud data involving sharia frills shows the vulnerability of the consumer protection system in the sharia digital financial ecosystem. The Indonesia Anti-Scam Center (IASC) has received 12,349 reports of sharia-mode fraud since 2024, with patterns including social engineering, fraudulent online transactions, illegal investments under the guise of sharia contracts, and social media scams that abuse legitimate sharia fintech brands to attract victims. (Financial Services Authority & PASTI Task Force, 2025) On the regulatory side, the OJK received 90 complaints through the Consumer Protection Portal (APPK) with a similar pattern, showing that this problem is not just an ordinary crime but reflects a systemic gap in supervision. (Dewi &Kontan.co.id, 2025)

The weak data protection system and the lack of strict regulations for verifying the identity of users of sharia fintech platforms are the main loopholes used by criminals. Legal uncertainty in the know-you-customer (KYC) mechanism specific to sharia products, as well as the lack of consumer education about the difference between official sharia fintech and sharia scams, further aggravate the situation. The impact is not only consumer financial losses, but also reputational risks to the legitimate sharia fintech industry that works according to compliance standards. The fragmentation of regulations between the OJK, Kominfo, and DSN-MUI in terms of digital consumer protection creates a gray area that requires immediate harmonization so that public trust in the digital sharia economy is not eroded.

**Table 1. Case Data Related to Disharmony in Indonesian Sharia Economic Regulations**

No	Disharmonious Aspects	Related Institutions	Key Implications
1	Delay in fatwa on fintech innovation	DSN-MUI, OJK	Temporary legal vacuum; Compliance risks
2	KHES vs POJK dualism	OJK, Religious Court	Confusion of dispute mechanisms
3	Bank–fintech supervision gap	OJK, BI	Area abu-abu Cross-entity gray area entitas
4	Sharia fintech regulations are not yet specific	OJK	Regulations have not yet fully accommodated blockchain/AI-based digital contracts

Source: Data is processed from various sources, including OJK reports (2025), Religious Court decisions, DSN-MUI studies, and analysis of related laws and regulations

The case data in Table 1 show that regulatory disharmony is not only administratively technical, but also reflects systemic failures in institutional coordination. The case of the Indonesian Sharia Fund which defaulted up to Rp 370 billion shows the gap between the sharia

compliance standards set by DSN-MUI and the OJK's operational supervision mechanism. (Meilina, 2024) When sharia fatwas are not directly integrated into technical regulations, consumer protection becomes weak and systemic risks are difficult to detect early. This ambiguity is further exacerbated by the dualism of authority between the OJK and BI in supervising bank-fintech collaboration, so that the cross-entity area becomes a gray zone without adequate supervision. (Alfaris et al., 2019)

Furthermore, the overlap of regulations between KHES and POJK creates legal confusion for industry players in determining the right dispute resolution forum. (See Compilation of Sharia Economic Law, Book I) Sharia fintech regulations that still use POJK 77/2016 which are general also show delays in responding to innovations such as blockchain and sharia-based smart contracts. This condition is a serious obstacle to the growth of Islamic fintech, especially for small businesses who face high compliance costs due to regulatory uncertainty. (See POJK 40/2024 and SEOJK 19/2025) Thus, regulatory fragmentation not only has an impact on bureaucratic inefficiencies, but also hinders the competitiveness of Indonesia's sharia economic industry at the global level. (DinarStandard & Ellipses, 2025)

These patterns of disharmony indicate the need for a transformation of the regulatory paradigm that places Islamic law not only as a moral guideline, but as a strategic instrument in the harmonization of policies across institutions. (Sholihah et al., 2025) Without fundamental changes in the coordination mechanism and integration of fatwas into operational regulations, legal loopholes will continue to open and harm the interests of business actors and consumers of the Islamic economy. (Case of Indonesian Sharia Fund)

### **Integrative Strategy and Regulatory Transformation Based on Islamic Law**

Efforts to overcome the disharmony of sharia economic regulations in Indonesia require an axiological approach, namely returning the orientation of economic law policy to the values of justice, benefit, and sustainability which are the substance of Islamic law. (Ali, 2019) The improvement of regulatory strategies cannot simply stop at administrative or coordinating reforms between institutions, but must touch on aspects of values and paradigms of its making so that Islamic law is present not only as a norm of compliance, but also as an ethical and philosophical foundation in the framework of national policies. (Utomo & Department of Sharia Banking OJK, 2023)

#### **Concrete Coordination Mechanism**

Harmonization between regulatory institutions such as OJK, BI, DSN-MUI, Ministry of Cooperatives, and the Ministry of MSMEs requires three specific and integrated operational mechanisms. (Zuleika & Mubarak, 2022) First, the establishment of a permanent Sharia Digital Economy Regulation Harmonization Task Force with the authority to formulate joint policies, ensure synchronization between DSN-MUI fatwas and OJK and PBI technical regulations, and identify regulatory gaps that require quick adjustment. This task force must be led by KNEKS as the national coordinator and have representation from each institution with an equal level of decision-making, so that collaborative decisions can be implemented without significant bureaucratic obstacles. (Maarif, 2024)

Second, the development of the Integrated Information System for Sharia Economic Regulations and Fatwas (SITRFES) which integrates all laws and regulations, DSN-MUI fatwas, OJK decisions, and Bank Indonesia regulations in one digital database. The platform Ahmad Zulkifli Affandi, Kurniati, Musyfikah Ilyas

allows industry players and regulators to access the latest regulations in real-time, identify potential overlaps, and monitor implementation consistency in the field. (The need for an integrated information system) SITRFES also functions as an early warning system tool to detect legal loopholes or innovation developments that require a quick regulatory response.

Third, the establishment of Cross-Institutional Joint Standard Operating Procedures (SOP) that regulates the coordination mechanism in the process of making regulations, resolving disputes, and supervising digital Islamic financial products. (Zuleika & Mubarak, 2022) This SOP must contain a timeline of inter-institutional agreements (for example: the DSN-MUI fatwa must receive OJK operational approval within a maximum of 60 days), a fast-track mechanism for urgent innovations, and clarity of dispute resolution forums between the realm of the Religious Court and the District Court based on the substance of the case. With clear and binding SOPs, legal uncertainty can be minimized and responses to market changes can be accelerated (Ilyas, 2018).

### **Roadmap for the Implementation of Regulation Harmonization**

The implementation of the harmonization strategy requires measurable and sustainable stages in three phases. (Maarif, 2024) First Phase (2026-2027): Institutional Consolidation and Regulatory Normalization, focused on strengthening KNEKS as a coordination institution with formal authority strengthened through a new Presidential Regulation, the establishment of a Harmonization Task Force, and a thorough audit of all regulations related to the digital sharia economy to identify overlaps and loopholes. In this phase, further regulatory improvements were also made to POJK 40/2024 (which has replaced POJK 77/2016 since December 2024) with a focus on adding operational guidance and clarification for sharia fintech contracts based on digital technology (blockchain, smart contracts) that are more responsive to innovation and ensure strict sharia compliance.

Second Phase (2027-2029): Digitalization and Integration of Information Systems, including the development and implementation of SITRFES, intensive training for sharia industry supervisors and managers on new regulatory paradigms, and strengthening the capacity of DSN-MUI in responding to innovations with a shorter fatwa time (maximum 30 days for urgent cases). (Financial Services Authority, 2025) In this phase, a Joint SOP is also established through a Memorandum of Understanding (MoU) that binds all regulatory institutions.

Phase Three (2029-2031): Sustainable Consolidation, Evaluation, and Projection, focused on monitoring the effectiveness of synergies, adjusting regulations based on feedback from industry and global market developments, and formulating sharia economic innovation policies for the coming decade. (Bank Negara Malaysia, 2022) In this phase, an in-depth study was also conducted on the impact of regulatory harmonization on sector growth, consumer protection, and increasing the competitiveness of Indonesia's sharia industry.

### **Success Indicators of Institutional Synergy**

The success of a harmonization strategy can be measured through a clear set of quantitative and qualitative indicators. (AAOIFI, 2023) Quantitatively, indicators include: (1) a reduction in the number of cases of regulatory overlap from the previous percent to less than 5%; (2) increase in the number of sharia fintech products certified for compliance (from 65% to 90% in the third year); (3) reducing the regulatory response time to innovation from an average of 6-12 months to a maximum of 3 months; (4) increasing the growth of digital sharia



economic assets from the current 12% per year to 20% per year; and (5) a decrease in consumer reports on legal uncertainty from 65% to less than 20%.

Qualitatively, the indicators include: (1) the level of satisfaction of industry players with the consistency and clarity of regulations which has increased significantly; (2) international recognition of Indonesia's regulatory harmonization model as best practice in the digital sharia economy; (3) the formation of a cross-institutional community of practice that actively shares learning and regulatory innovations; and (4) the integration of the values of *maqashid al-shari'ah* (justice, benefit, sustainability) objectively in every regulatory decision. (Fajri et al., 2025) The achievement of these indicators will prove that Islamic law has succeeded in becoming a real transformation instrument in the governance of a fair and inclusive national digital economy. (Financial Services Authority, 2015)

### **International Benchmarking: Lessons from Malaysia and the UAE**

Malaysia's experience in harmonious sharia economic regulation provides an important lesson for Indonesia. (Bank Negara Malaysia, 2025) Malaysia has built an integrated system since its inception through the Islamic Banking Act 1983, which is much faster than Indonesia's new Sharia Banking Law in 2008. The key to Malaysia's success is the establishment of the Shariah Advisory Council (SAC) under Bank Negara Malaysia (BNM) which is given the status of the sole authoritative body in issuing sharia compliance fatwas. (Bank Negara Malaysia, 2024) SAC plays a role in not only providing input to BNM, but also validating all sharia banking and insurance products with binding authority on all financial institutions and even the Supreme Court of Malaysia. This model integrates functions that in Indonesia are divided between DSN-MUI, OJK, and BI, thereby eliminating conflicts of authority and delays in responding to product innovations.

Furthermore, Malaysia also developed the Shariah Governance Framework (SGF) in 2010 which provides comprehensive guidance to each financial institution in establishing an internal sharia committee, ensuring alignment between the SAC fatwa and its internal operations. (Bank Negara Malaysia, 2022) The framework also sets a clear timeline for product verification (fast-track for urgent innovation) so that the response to market developments is faster and more adaptive. Lessons learned from Malaysia show that consolidating fatwa authority in one clear and binding institution—as started with KNEKS in Indonesia—is a strategic step to improve legal certainty and regulatory efficiency.

Meanwhile, the UAE (United Arab Emirates) through Dubai is showing a different but also effective approach in integrating digital sharia economic regulation into international standards. (Dubai Financial Services Authority, 2020) Dubai Financial Services Authority (DFSA) and Securities and Commodities Authority (SCA) work together in implementing global standards such as AAOIFI (Accounting and Auditing Organization for Islamic Financial Institutions, 2023) to ensure the international consistency and credibility of Islamic products. This approach allows Dubai to become a global Islamic finance hub that attracts international investment flows.

More significantly, the UAE established the Higher Sharia Authority (HSA) as the highest coordinating body that ensures synchronization between Islamic financial regulations at the federal and emirati levels, addressing the fragmentation that may arise in the federative

system. (Central Bank of UAE, 2023) This HSA model integrates the expertise of various regulators and Shariah scholars to provide a consistent but adaptive fatwa to market innovation.

Adaptation of the Malaysian and UAE experiences to the Indonesian context can be done through several concrete steps. (DinarStandard Elipses, 2025) First, strengthening KNEKS as an equivalent body to SAC Malaysia, with clear authority to issue a coordinating fatwa that binds all institutions (not just recommendations). Second, the adoption of international standards of AAOIFI and the International Islamic Financial Services Board (IIFB) in setting local regulations to increase credibility and competitiveness at the global level. Third, the establishment of the Indonesian version of HSA in the form of the Sharia Digital Economy Regulation Harmonization Forum involving all regulatory institutions with quasi-judicial authority to resolve conflicts of authority between institutions quickly. (Maarif, 2024) By combining the strength of Malaysia's coordinated system with the UAE's international approach, Indonesia can build a responsive, adaptive, and competitive digital sharia economic regulatory model on the global stage.

## CONCLUSION

Indonesia's *sharia* economic regulations suffer from disharmony due to systemic cross-agency coordination failures, evident in four patterns: delayed *DSN-MUI* responses to Islamic fintech innovations, OJK-BI supervisory dualism in bank-fintech collaborations, ambiguous blockchain/smart contract rules, and vulnerability to *sharia*-based fraud (12,349 anti-scam reports and 90 OJK complaints). Despite IDR 9,529.21 trillion in assets and a third-place global Islamic Fintech Index ranking, this creates legal uncertainty, business losses (e.g., IDR 370 billion in the Indonesian Sharia Fund case), eroded trust, and stifled competitiveness. An integrative strategy counters this via three pillars: a Regulatory Harmonization Task Force with SITRFES platform and SOPs; a 2026–2031 roadmap for consolidation, digitalization, and evaluation; and measurable success indicators, drawing from Malaysia's BNM-SAC and UAE's DFSA-HSA models emphasizing consolidated fatwa authority, AAOIFI-IFSB standards, and fast-track innovation to reposition Islamic law as a justice- and transparency-driven policy tool. Future research should empirically test this strategy's implementation through longitudinal case studies of post-2026 fintech innovations, comparing Indonesia's outcomes with Malaysia and UAE benchmarks.

## REFERENCES

- Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). "Standards Development and Revision Processes." *AAOIFI Official Website*, 2023.
- Ahyani, Hisyam, and Elah Nurhasanah. "Peran Strategi Politik Islam Terhadap Perekonomian Di Indonesia." *Mutawasith: Jurnal Hukum Islam* 3, no. 1 (2020): 18–43.
- Alfaris, Maulana Reyza, Muhammad Waliyam Mursida, and Moch Irfan Dwi Syahroni. "Model Regulasi Financial Technology Syariah Dalam Kerangka Hukum Indonesia: Studi Perbandingan Malaysia Dan Inggris." *Jurnal Legislatif*, 2019, 73–96.
- Ali, Mohammad Daud. *Hukum Islam: Pengantar Ilmu Hukum Dan Tata Hukum Islam Di Indonesia*. Kota Depok: Rajawali Pers, 2019.
- Banola, Arnoldus Jansen Patrio, Basilika Riskiana Imut, Cesilia Lucia Klau, Christafora Caeselia Totnay, Fadil Mas'ud, and Maria Anjelina Wesa Wunu. "Efektivitas

- Harmonisasi Peraturan Perundang-Undangan Dalam Menghindari Tumpang Tindih Regulasi Di Indonesia.” *CONSTITUO : Journal of State and Political Law Research* 4, no. 1 (n.d.): 68–79. <https://doi.org/10.47498/constituo.v4i1.4949>.
- Central Bank of the United Arab Emirates (CBUAE). “UAE Islamic Finance Report 2023: The Year of Sustainability.” *Annual National Islamic Finance Report*. Abu Dhabi: Central Bank of the UAE, 2023.
- CNBC Indonesia. “Masa Depan P2P Lending Syariah,” 2025.
- Dewi, Friderica Widyasari, and Redaksi Kontan.co.id. “OJK Soroti Penipuan Modus Syariah, Ada 12.000 Laporan ke Indonesia Anti-Scam Center.” *Kontan.co.id*. Jakarta: Kontan.co.id, 2025.
- DinarStandard Elipses. “Global Islamic Fintech Report 2024/25.” Qatar Financial Centre (QFC), 2025.
- Dubai Financial Services Authority. “Islamic Finance Regulation in the Dubai Financial Services Authority (DFSA).” *DFSA Regulatory Framework*. Dubai: Dubai Financial Services Authority, 2020.
- Eva Maya Sari, and Baidhowi Baidhowi. “Revolusi Regulasi Dalam Ekonomi Syariah: Integrasi Teknologi Digital Untuk Optimalisasi Penerapan Prinsip Syariah.” *Jurnal Nuansa : Publikasi Ilmu Manajemen Dan Ekonomi Syariah* 3, no. 3 (June 2025): 47–69. <https://doi.org/10.61132/nuansa.v3i3.1882>.
- Fajri, Ahmad Khairul, Kurniati Kurniati, and Zulhas’ari Mustafa. “Telaah Sosiologis Atas Fenomena Judi Online Dan Upaya Pemberantasannya Perspektif Maqashid Syariah.” *Shar-E : Jurnal Kajian Ekonomi Hukum Syariah* 11, no. 1 SE-Articles (September 2025): 54–63. <https://doi.org/10.37567/shar-e.v11i1.3960>.
- Fasluki, Risa Bella. “Peran Ekonomi Digital Syari’ah Dalam Usaha Mikro Kecil Dan Menengah .” *Indonesian Proceedings and Annual Conference of Islamic Law And Sharia Economic (IPACILSE)* 1, no. 1 SE-Articles (August 2023): 49–54.
- Hafidz, Sultan Muhammad, Hikari Fajri Rusdi Putra, and Fadhlan Tajudin Ramadhan. “REKONSTRUKSI HUKUM BISNIS SYARIAH DALAM MENGHADAPI TRANSFORMASI EKONOMI DIGITAL.” *Media Riset Bisnis Ekonomi Sains Dan Terapan* 3, no. 2 (2025): 73–79.
- Hasan, Lucky Omega. *Sistem Pengawasan Ekonomi Syariah (Sebuah Tawaran Gagasan Baru Yang Kontekstual)-Jejak Pustaka*. Edited by Nilnasari Nur Azizah. Yogyakarta: Jejak Pustaka, 2024.
- Haura Muthmainnah, and Tajul Arifin. “Perbankan Syariah Menurut H.R. Tirmidzi No. 1232 Dan Pasal 4 Ayat (1) UU No. 21 Tahun 2008.” *Aliansi: Jurnal Hukum, Pendidikan Dan Sosial Humaniora* 2, no. 3 SE-Articles (May 2025): 250–61. <https://doi.org/10.62383/aliansi.v2i3.930>.
- Hidayat, Taufik. “Strategi Pengembangan Ekonomi Syariah KNKS.” *Presentasi Komite Nasional Keuangan Syariah (KNKS)*. Solo: Komite Nasional Keuangan Syariah, 2019.
- Ilhami, Haniah, Hartini, and Destri Budi Nugraheni. “Harmonisasi Regulasi Oleh Otoritas Jasa Keuangan Syariah Pada Akad Murabahah (Analisis Terhadap Standar Produk Murabahah).” *Mimbar Hukum* 33, no. 2 (December 2021): 346–72. <https://doi.org/10.22146/mh.v33i2.2429>.

- Ilyas, Musyfikah. "Tinjauan Hukum Islam Terhadap Musyawarah Dalam Penyelesaian Sengketa Ekonomi Syariah." *Jurnal Al-Qadau: Peradilan Dan Hukum Keluarga Islam* 5, no. 2 (2018): 227–36.
- Islamic Financial Services Board (IFSB). *Revised Compilation Guide on Prudential and Structural Islamic Financial Indicators (PSIFIs)*. IFSB Publication Series. Kuala Lumpur: Islamic Financial Services Board, 2019.
- Karim, Adiwarman A. "DSN-MUI Dorong DSN MUI Semakin Berkontribusi untuk Ekonomi Syariah Indonesia." *Situs Resmi Majelis Ulama Indonesia*. 2024.
- Kurniawan, Eko, Lina Nugraha Rani, and Tanza Dona Pertiwi. "Does Islamic Finance Drive Economic Growth In Indonesia? An Analysis Using Vector Error Correction Model." *Jurnal Ekonomi Dan Bisnis Airlangga* 35, no. 1 SE-Articles (May 2025): 203–15. <https://doi.org/10.20473/jeba.V35I12025.203-215>.
- Maarif, Syamsul. "Kajian Penguatan Sektor Keuangan Syariah 2024." Edited by Ishmah Qurratu'ain. *Komite Nasional Ekonomi dan Keuangan Syariah (KNEKS)*. Jakarta: KNEKS, 2024.
- Meilina, Kamila. "1.225 Lender Disebut Lapor Ada Rp370 Miliar di Dana Syariah Indonesia Belum Cair." *Katadata.co.id*. Jakarta: Katadata, 2024.
- Nafila, Yusratun. "Prinsip, Implementasi, Dan Tantangan Dalam Sistem Ekonomi Syariah Modern." *Maliki Interdisciplinary Journal* 3, no. 6 (2025): 496–502.
- Ramadhan, Muhammad. *Politik Ekonomi Islam Dalam Narasi Pembangunan Nasional*. LKiS, 2018.
- Sasongko, Dimas Femy, Eka Wahyu Hestya Budianto, Dhiya Ulhaq Arkaan, and Ardana Herawati. "Internalisasi Nilai Moderasi Beragama Dalam Sistem Ekonomi Syariah Pada UMKM Halal Melalui Produk Pembiayaan Syariah." *Martabe: Jurnal Pengabdian Masyarakat* 7, no. 4 (2024): 1303–20.
- Sharia Knowledge Centre Editorial Team. "Aset Keuangan Syariah Tembus Rp9.529T di Awal 2025: Apa Artinya bagi Ekonomi Masyarakat?" *Sharia Knowledge Centre (SKC) News*. Jakarta: Prudential Sharia Knowledge Centre, 2025.
- Sholihah, Hani, Hermawan Hermawan, Loso Judijanto, Husnun Nahdhiyyah, Abu Syhabudin, and Novea Elysawardhani. *Hukum Islam: Teori, Perkembangan Dan Penerapan Hukum Islam Di Indonesia*. PT. Sonpedia Publishing Indonesia, 2025.
- Sukmana, Rifky Adji, Kurniati Kurniati, and Lomba Sultan. "Paradigma Keadilan Dalam Penegakan Hukum Negara Berdasarkan Teori Kebenaran Perspektif Filsafat Hukum Islam." *Jurnal Ilmiah Falsafah: Jurnal Kajian Filsafat, Teologi Dan Humaniora* 8, no. 2 (2022): 17–32.
- Sulaiman, Sulaiman, Wahyudin Wahyudin, Eka Farman, Suryadin Suryadin, and Fitradin Fitradin. "Tinjauan Yuridis Perkembangan Hukum Perbankan Syariah Di Indonesia." *Syntax Literate ; Jurnal Ilmiah Indonesia* 10, no. 7 (2025): 8744–57. <https://doi.org/10.36418/syntax-literate.v10i7.60445>.
- Syafitri, M N. "Fintech Peer To Peer Lending Berbasis Syariah Sebagai Alternatif Pembiayaan UMKM." *Jurnal Ekonomi Islam (JEI)* 7, no. 2 (2023): 145–63.
- Syarifudin, Amir. *Ushul Fiqih Jilid I*. I. Ushul Fiqih. Jakarta: Kencana Prenada Media Group, 2011.

- Utomo, Gunawan Setyo, and Departemen Perbankan Syariah – OJK. “Regulasi, Penerapan dan Peluang Inovasi Produk Keuangan Berkelanjutan pada Lembaga Keuangan Syariah Indonesia.” *Regular Sharia Accounting Discussion (RASHID): Keuangan Berkelanjutan dalam Keuangan Syariah*. Jakarta: Institut Akuntan Indonesia (IAI), 2023.
- Wani, Fakia, Nurjajih Lingga, and Devi Lianda. “Peran Ekonomi Kreatif Dalam Mendorong Pertumbuhan Ekonomi Berkelanjutan Di Era Digital.” In *Seminar Nasional Pariwisata Dan Kewirausahaan (SNPK)*, 4:288–95, 2025.
- Widya, Widya, Cory Vidiati, and Ginna Novarianti Dpp. “Inovasi Dan Pengembangan Fintech Syariah Sebagai Solusi Keuangan Modern Yang Berlandaskan Prinsip Syariah.” *Co-Value Jurnal Ekonomi Koperasi Dan Kewirausahaan* 15, no. 7 (2024).
- Yunari, A, F Hidayat, and A L F Choiriyah. “Sinkronisasi Regulasi Ekonomi Syariah Di Indonesia: Upaya Harmonisasi Antara Fiqh Muamalah Dan Hukum Nasional.” *Law and Economic Law Journal* 3, no. 1 (2025): 56–72.
- Zuleika, Adelina, and Reza Mubarak. “Sinergi Otoritas dalam Upaya Harmonisasi Regulasi Sektor Keuangan Syariah.” Edited by Ishmah Qurratu’ain. *KNEKS (Komite Nasional Ekonomi dan Keuangan Syariah)*. Jakarta: Komite Nasional Ekonomi dan Keuangan Syariah, 2022.

Copyright holders:

Ahmad Zulkifli Affandi, Kurniati, Musyfikah Ilyas (2025)

First publication right:

Devotion - Journal of Research and Community Service



This article is licensed under a [Creative Commons Attribution-ShareAlike 4.0 International](https://creativecommons.org/licenses/by-sa/4.0/)