



Legal Protection in Sharia Securities-Based Crowdfunding: A Normative Review of Dual Regulation

Afif Noor^{1*}, Abdul Ghofur², Supangat³, Anis Fittria⁴

¹²³⁴Universitas Islam Negeri Walisongo Semarang

Jl. Walisongo No.3-5, Tambakaji, Kec. Ngaliyan, Kota Semarang, Jawa Tengah 50185

Email: afif_noor@walisongo.ac.id¹, abdul_ghofur@walisongo.ac.id², supangat@walisongo.ac.id³,
anisfittria@walisongo.ac.id⁴

Submitted : 05-07-2025
Revision : 18-10-2025

Accepted : 15-12-2025
Published : 29-12-2025

Abstract: Sharia Securities-based crowdfunding (Sharia SBC) has emerged as a novel financial innovation that integrates Islamic principles with financial technology, expanding investment access in Indonesia. However, this development has also created significant regulatory gaps and legal risks related to data protection, Sharia compliance, information asymmetry, and weak dispute resolution mechanisms. This study examines the adequacy of Indonesia's dual regulatory model, the Financial Services Authority (OJK) and the National Sharia Council (DSN-MUI), in protecting investors and ensuring Sharia compliance in SBC. Using normative legal methods combined with comparative and policy-oriented approaches, the study identifies the lack of binding force in DSN-MUI fatwas, the limited role of the Sharia Supervisory Board, and weak enforcement of data security and disclosure standards. Comparative studies from Malaysia and Bahrain suggest that integrating Sharia audits and a centralized dispute resolution mechanism can strengthen legal certainty. These findings underscore the need for regulatory reforms to render DSN-MUI fatwas legally binding, establish a Sharia arbitration body, and mandate annual Sharia compliance audits for SBC operators. These recommendations aim to improve legal certainty, investor protection, and the integrity of Sharia-based financial technology in Indonesia.

Keywords: Legal Protection, Sharia SBC, Investor, Regulation, Sharia Integration

Abstrak: *Crowdfunding berbasis efek syariah (SBC Syariah)* telah muncul sebagai inovasi keuangan baru yang mengintegrasikan prinsip-prinsip Islam dengan teknologi keuangan, memperluas akses investasi di Indonesia. Namun, perkembangan ini juga menimbulkan kesenjangan regulasi dan risiko hukum yang signifikan terkait dengan perlindungan data, kepatuhan Syariah, asimetri informasi, dan lemahnya penyelesaian sengketa. Studi ini meneliti kecukupan model regulasi ganda Indonesia, Otoritas Jasa Keuangan (OJK) dan Dewan Syariah Nasional (DSN-MUI), dalam melindungi investor dan memastikan kepatuhan Syariah dalam SBC. Dengan menggunakan metode hukum normatif yang dikombinasikan dengan pendekatan komparatif dan berorientasi kebijakan, studi ini mengidentifikasi kurangnya kekuatan mengikat dalam fatwa DSN-MUI, peran terbatas Dewan Pengawas Syariah, dan lemahnya penegakan standar keamanan dan pengungkapan data. Studi komparatif dari Malaysia dan Bahrain menunjukkan bahwa integrasi audit Syariah dan mekanisme penyelesaian sengketa terpusat dapat memperkuat kepastian hukum. Temuan ini menggarisbawahi perlunya reformasi

regulasi untuk menjadikan fatwa DSN-MUI mengikat secara hukum, membentuk badan arbitrase Syariah, dan mewajibkan audit kepatuhan Syariah tahunan bagi operator SBC. Rekomendasi ini bertujuan untuk meningkatkan kepastian hukum, perlindungan investor, dan integritas teknologi keuangan berbasis Syariah di Indonesia.

Kata Kunci : Perlindungan Hukum, SBC Syariah, Investor, Regulasi, Integrasi Syariah

Introduction

Sharia Securities-Based Crowdfunding (Sharia SBC) is an information technology-based financial innovation that has demonstrated significant growth alongside the rapid development of the global digital economy.¹ Sharia SBC is a financing model that connects businesses or securities issuers with individual investors through an online platform operating in accordance with Sharia principles.² This scheme enables businesses to raise small but significant amounts of capital through public offerings of securities, such as shares or *sukuk*. This system truly reflects the essential values of Islamic finance, fairness, transparency, and cooperation. The goal is to build a more inclusive financing landscape, empowering micro, small, and medium enterprises (MSMEs) that have historically struggled to access traditional banking services. By opening up exciting new opportunities, this system sets the stage for these businesses to thrive and make significant contributions to economic growth.³

The growing public interest in Sharia financial products has made Sharia SBC services increasingly popular. Platforms such as Shafiq, Urun-RI, and Vestora serve as a crucial bridge between issuers and investors seeking *halal*, safe, and profitable investment instruments. These services encourage grassroots economic growth and expand public participation in productive investment activities. According to data from the Indonesian Crowdfunding Services Association (ALUDI), in 2024, a total of IDR 1.53 trillion was raised through crowdfunding platforms, spread across 804 projects with 185,901 investor accounts. This figure represents a 69.4% increase compared to 2023, when only IDR 471.09 billion was raised from 369 projects.⁴ This growth demonstrates growing public trust in Sharia digital financing alternatives and a positive outlook for the future of the Sharia SBC ecosystem.

However, despite this growth, Sharia SBCs face various complex legal challenges. A key issue is the legal protection of service users, particularly investors. The use of digital technology in investment transactions can give rise to various risks, such as personal data leaks, online fraud, unclear legal status of investment contracts, and a lack of transparency in financial reports and project progress.⁵ In the context of Islamic finance, a specific risk also arises in the form of Sharia non-compliance, which occurs when transaction mechanisms deviate from Sharia principles, such as the prohibition of *ribā* (usury), *gharar* (gharar), and *maysir* (gambling). This risk can harm investors and threaten public confidence in the stability of the Sharia SBC market.

¹ Afif Noor et al., "Digital Economy Regulation and Consumer Rights Protection: Realizing Security in Financial Technology Transactions," *Lex Scientia Law Review*, vol. 9, 2025, <https://doi.org/10.15294/lslr.v9i2.24927>.

² Afif Noor, "The Legal Regulatory Framework of Sharia Securities Crowdfunding in Indonesia," *Masalah-Masalah Hukum* 51, no. 4 (2022): 433–44, <https://doi.org/10.14710/mmh.51.4.2022.433-444>.

³ Afif Noor et al., "Developing Inclusive Regulations for Muslim Disabled Entrepreneurs' Access to Sharia Fintech: Legal and Accessibility Perspectives," *Jurnal Ilmiah Al-Syir'ah* 23, no. 1 (2025): 70–86, <https://doi.org/10.30984/jis.v23i1.3194>. Muslim persons with disabilities (PwDs)

⁴ Aziz Rahardyan, "Kontribusi Fintech Urun Dana Syariah Tembus 52% Sepanjang 2024," finansial.bisnis.com, 2025.

⁵ Afif Noor et al., "Overcoming Regulatory Hurdles in the Indonesian Crowdfunding Landscape," *Volksgeist: Jurnal Ilmu Hukum Dan Konstitusi* 6, no. 2 (2023): 245–60, <https://doi.org/10.24090/volksgeist.v6i2.9447>.

Previous studies have highlighted several regulatory issues surrounding SBCs, but have not yet offered an integrative legal framework. For example, Alhadiansyah et al. emphasize the role of the Financial Services Authority (OJK) in ensuring legal certainty.⁶ Waluyo et al. assess that legal protection under POJK No. 57/2020 remains suboptimal.⁷ Pratama highlights regulatory ambiguity in investor protection and risk management.⁸ Meanwhile, Mahfudz et al. point to persistent Sharia compliance issues despite regulatory provisions.⁹ Unlike these studies, this study presents a new perspective by adopting a dual regulatory approach that integrates national positive law and Islamic jurisprudence principles (*fiqh al-mu'amalāt*) within the legal protection framework for Sharia SBC investors.

The proposed legal protection model emphasizes the synergy between OJK regulations and the fatwas of the National Sharia Council of the Indonesian Ulema Council (DSN-MUI). The purpose of this protection model is to strengthen two essential aspects of Sharia SBC services: legal certainty and Sharia compliance. This research assumes that the national legal system and Islamic law are not mutually exclusive but can complement each other in create a fair and sustainable Islamic financial ecosystem, particularly in Sharia crowdfunding services. The primary contribution expected from this research is the development of a legal model that bridges the gap between applicable positive legal norms and Sharia principles. This gap has not been explicitly addressed in previous literature.

Improving investor protection in the Sharia crowdfunding ecosystem requires legal reform encompassing personal data protection, information transparency, compliance with Sharia principles, and dispute-resolution mechanisms in accordance with Islamic law.¹⁰ Synergy between the OJK, SBC platform operators, law enforcement agencies, and the Sharia Supervisory Board (DPS) is crucial to prevent overlapping authority and close jurisdictional gaps that could hinder effective law enforcement.

Therefore, this research aims to critically analyze the regulatory framework for investor protection in Sharia crowdfunding services, identify weaknesses and gaps in regulation and supervision, and formulate policy recommendations to build a safe, fair, sustainable, and legally protected Sharia investment ecosystem. Legal protection for Sharia crowdfunding investors is crucial to uphold, as it is a constitutional right regulated in Article 28D of the 1945 Law and a vital pillar in strengthening Indonesia's Sharia financial industry.¹¹

⁶ Tri Dian Aprilesa Alhadiansyah, Erni Djun'astuti, Sugeng Susila, Marnita, "The Sharia Funding Risk Issues in Fintech Securities Crowdfunding: Realization of Legal Certainty in the Shari'ah Perspective," *Sasi* 29, no. 4 (2023): 777-89.

⁷ Herlina Waluyo, Irene Putri A.S.Sinaga, and Fajar Sugianto, "Perlindungan Hukum Otoritas Jasa Keuangan Terhadap Penyelenggara Layanan Urun Dana Berbasis Efek Berdasarkan POJK Nomor 16/POJK.04/2021," *DiH: Jurnal Ilmu Hukum* 18, no. 2 (2022): 131-46, <https://doi.org/10.30996/dih.v0i0.6241>.first, about the position of OJK in granting authority to operators of securities crowdfunding and second, the law protection that OJK should provide to operators of securities crowdfunding. Analysis of the data in this study is a qualitative analysis with the type of normative research using secondary data. The results of the study show that the authority of the OJK in supervising and regulating all financial service activities including the capital market is given attribution as special agencies through in Article 7 the Law of the Republic of Indonesia Number 21 of 2011 concerning the Financial Services Authority (OJK Law/UU OJK)

⁸ Kristianus Jimy Pratama, "Regulatory Challenges in Digital Foreign Investment," *Indonesian Law Journal* 15, no. 2 (2022): 111-24.

⁹ Akhmad Affandi Mahfudz, Afife Rahma Ahsanti, and Helmy Fauzy Ahmad, "Shariah Securities Crowdfunding Platform in Indonesia: An Appraisal Based on Regulatory Framework and Shariah Perspectives," in *Proceedings of the Conference on SDGs Transformation through the Creative Economy: Encouraging Innovation and Sustainability* (TCEEIS 2023 (Atlantis Press International BV, 2023), 75-79, https://doi.org/10.2991/978-94-6463-346-7_15.

¹⁰ Jefry Tarantang and Ni Nyoman Adi Astiti, "The Legal Argumentation Regulatory Framework for Management of Sharia Funding and Risk Loans in Indonesia," *Jurnal Ilmiah Al-Syir'ah* 21, no. 1 (2023): 72, <https://doi.org/10.30984/jis.v21i1.2268>.

¹¹ J Sempill, "Ruler's Sword, Citizen's Shield: The Rule of Law & the Constitution of Power," *Journal of Law & Politics*, 2016, 333-416.

Using a normative legal approach combined with a descriptive-analytical method, this study examines legal issues related to investor protection in Sharia crowdfunding services in Indonesia. This method involves reviewing secondary legal materials, including primary, secondary, and tertiary sources. Primary legal materials include the 1945 Constitution, POJK No. 57/POJK.04/2020, and its amendments, as well as other relevant regulations. Secondary legal materials include legal literature, scholarly articles, official OJK reports, and related academic and professional publications. Data analysis was conducted qualitatively to assess the suitability of applicable legal norms, the effectiveness of law enforcement mechanisms, and to identify regulatory gaps and weaknesses that could hinder the ideal protection of Sharia SBC investors.

Sharia Securities-Based Crowdfunding: Regulation, Platforms, and Risks

Sharia Securities-Based Crowdfunding (Sharia SBC) is one of the most significant innovations in modern Islamic finance. This financing model utilizes digital technology to connect securities issuers with investors through online offerings of Sharia investment instruments, including stocks and *sukuk*. This innovation not only leverages technology for access to financing but also upholds the fundamental principles of Islamic law, such as the prohibition of *riba* (interest), *gharar* (uncertainty), and *maysir* (speculation) at every stage of the transaction.¹² Through this scheme, MSMEs gain broader and faster access to funding opportunities, thereby strengthening financial inclusion and community participation in investments that align with Islamic ethical values.¹³

Theoretically, crowdfunding is a mechanism for collecting small amounts of capital from many parties, which are then combined into a larger amount to finance a specific project or business.¹⁴ Fundraising conducted through the issuance of securities is referred to as securities crowdfunding, a fundraising model that matches entrepreneurs' capital needs with funds from the wider community.¹⁵ Investors in this case can act on behalf of individuals, institutions, or other business entities purchasing securities in the form of equity or debt. From a Sharia perspective, this process must undergo rigorous screening to ensure that the contract structure and investment object fully comply with Islamic law.

The Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) has recognized the alignment between crowdfunding practices and Islamic financial principles, provided that the contract structure is free from elements of *ribā* (usury), *gharar*, and unfair practices.¹⁶ Thus, Sharia-based crowdfunding, or Sharia SBC, is recognized as a legitimate financing mechanism within the framework of the *maqāṣid al-shari‘ah* (the principles of Sharia), particularly in its objectives of

¹² Maryam Sakinah Faudzi, Julienty Abu Bakar, and Shuhymee Ahmad, "The Relevance of Conventional and Islamic Crowdfunding as Financing Instruments for SMEs," *Journal of Islamic Finance* 10, no. 1 (2021): 59–64.

¹³ Fadli Daud Abdullah et al., "Contemporary Challenges for Sharia Financial Institutions to Increase Competitiveness and Product Innovation Perspective of Sharia Economic Law: Evidence in Indonesia," *MILRev : Metro Islamic Law Review* 3, no. 2 (2024): 141–73, <https://doi.org/10.32332/milrev.v3i2.9202>.

¹⁴ Priscilla Serwaah et al., "Technology in Society Explaining Gender Differences in Crowdfunding Contribution Intentions," *Technology in Society* 76, no. October 2023 (2024): 102425, <https://doi.org/10.1016/j.techsoc.2023.102425>.

¹⁵ Joern H. Block et al., "The Entrepreneurial Finance Markets of the Future: A Comparison of Crowdfunding and Initial Coin Offerings," *Small Business Economics* 57, no. 2 (2021): 865–82, <https://doi.org/10.1007/s11187-020-00330-2>.

¹⁶ Ho Wen Hui, Azwina Wati Abdull Manaf, and Asfarina Kartika Shakri, "Fintech and the Transformation of the Islamic Finance Regulatory Framework in Malaysia," *Emerging Issues in Islamic Finance Law and Practice in Malaysia*, 2019, 211–22, <https://doi.org/10.1108/978-1-78973-545-120191018>.

protecting wealth and promoting economic equality.¹⁷ In Indonesia, this concept is implemented through online securities offerings by issuers to investors, under dual oversight by the OJK and the DSN-MUI.¹⁸

The existence of Sharia Securities is subject to the Indonesian Financial Services Authority Regulation (POJK) No. 57/POJK.04/2020, as amended by POJK No. 16/POJK.04/2021 on Crowdfunding Services through Technology-Based Securities Offerings, which outlines the scope and subject matter, including service providers and their requirements, issuers, and investors. The regulation also addresses governance and risk management, including the implementation of good corporate governance principles, operational risk control, and investor protection. These regulations provide the legal foundation for the existence of SBC services, including Sharia SBC, in Indonesia.

According to records from the Indonesian Central Securities Depository (KSEI), six Sharia SBC providers had obtained official permits from the OJK by the end of 2024, as shown in the following table:

Table 1
 List of Sharia SBC Platforms in Indonesia

No.	Platform Name	OJK License Number
1	PT Shafiq Digital Indonesia (Shafiq)	Number KEP-37/D.04/2021 dated August 19, 2021
2	PT LBS Urun Dana (LBS)	Number KEP22/D.04/2022 dated March 18, 2022
3	PT Investasi Digital Nusantara (Bizhare)	Number Kep-7/D.04/2019 dated November 6, 2019
4	PT Dana Investasi Bersama (Fundex)	Number KEP 51/D.04/2021 dated September 6, 2021
5	PT Urun Bangun Negeri (Urun RI)	Number KEP 07/D.04/2023 dated January 31, 2023
6	PT Halalvestor Global Asia (Vestora)	Number KEP- 91/D.04/2022 dated December 27, 2022

Source: PT Kustodian Sentral Efek Indonesia, 2024

To operate as Sharia SBC services, these platforms must pass a rigorous assessment by the Financial Services Authority (OJK) that covers operational feasibility, risk management, and compliance with Sharia principles. This process demonstrates dual regulation, with the OJK authorized to conduct legal and financial assessments, including technical operations and capitalization. At the same time, the Indonesian Ulema Council (MUI) has the authority to ensure that Sharia SBC service providers meet the requirements for compliance with Islamic values and fatwas.

However, in practice, the provision of Sharia SBC services still carries significant risks. The triangular relationship between platform providers, security issuers, and investors occurs indirectly, or only through the platform provided by the service provider. The parties are unknown to each

¹⁷ Anisah Novitarani and Ro'fah Setyowati, "Analisis Crowdfunding Syariah Berdasarkan Prinsip Syariah Compliance Serta Implementasinya Dalam Produk Perbankan Syariah," *Al-Manāhij: Jurnal Kajian Hukum Islam* 12, no. 2 (2018): 247–62, <https://doi.org/10.24090/mnh.v12i2.1759>.

¹⁸ Rifaldi Majid and Rizky Aditya Nugraha, "Crowdfunding and Islamic Securities: The Role of Financial Literacy," *Journal of Islamic Monetary Economics and Finance* 8, no. 1 (2022): 89–112, <https://doi.org/10.21098/jimf.v8i1.1420>.

other, and investors lack detailed information on the identity of the security issuer, as do the security issuers themselves regarding the identity of their purchasers. This pattern creates the potential for information asymmetry, leading to data misuse, personal information leaks, and even financial losses for investors. Similar cases have been recorded on several conventional fintech platforms, where the Financial Services Authority has received reports of data leaks and fictitious issuers, which have harmed investors.¹⁹

This overview demonstrates that Sharia SBC services require comprehensive risk mitigation that protects the interests of investors, issuers, and service providers. That is in contrast with the situation in Malaysia and Bahrain. The Securities Commission in Malaysia has implemented a strict Sharia-compliant governance system for Islamic crowdfunding. Each platform is required to undergo an annual Sharia audit and independent verification of issuer data prior to a public offering, ensuring compliance with Islamic law principles. This provision can enhance investor confidence and encourage consistent transparency and accountability across the digital Islamic finance ecosystem.

Meanwhile, in Bahrain, the Central Bank has established integrated cyber risk management standards for all Islamic fintech operators as part of the national cybersecurity legal framework.²⁰ This initiative demonstrates that technology-based governance can coexist with the ethical principles of Islamic finance. Both practices serve as essential references for Indonesia in its efforts to strengthen transparency, accountability, and investor protection in its future Sharia SBC system.²¹

From the perspective of *maqāṣid al-shari‘ah*, SBC Sharia services have two primary functions: first, promoting the creation of halal wealth (*taḥqīq al-ribḥ al-mubāḥ*) while maintaining moral accountability in every financial transaction. However, without ethical oversight and adequate legal protection, the potential for violations of Sharia principles remains open. Therefore, close coordination between the OJK and the DSN-MUI is crucial, not only in granting licenses but also in the ongoing supervision process, annual Sharia audits, and the application of moral and administrative sanctions for violations of Sharia principles. Second, SBC Sharia represents an exciting integration of digital innovation and Islamic finance. However, its long-term sustainability depends heavily on appropriate regulation, ethical governance, and ongoing Sharia supervision. To ensure that Sharia SBCs not only serve as economic tools but also reflect the principles of justice, transparency, and social welfare (*maqāṣid al-shari‘ah*), it is crucial to strengthen institutional coordination, implement mandatory Sharia audits, and adopt best practices across countries.

Identification of Risks and Regulatory Gaps in Sharia Securities-Based Crowdfunding

Technology-based investments such as Sharia SBC have rapidly emerged as alternative financing mechanisms in Indonesia.²² Sharia SBC is a platform that integrates Islamic principles with financial

¹⁹ Salwa Naya Syakirah and Haipa Nisrina Sayyidah, “Urgensi Penguatan Implementasi Terkait Pelindungan Data Pribadi Bagi Pemodal Sektor Jasa Keuangan Equity Crowdfunding Di Indonesia (Studi Komparasi Terhadap Negara Malaysia),” *Padjadjaran Law Review* 12, no. 1 (2024): 109–22.

²⁰ Salah AlBenJasim et al., “Development of Cybersecurity Framework for FinTech Innovations: Bahrain as a Case Study,” *International Cybersecurity Law Review* 5, no. 4 (December 2024): 501–32, <https://doi.org/10.1365/s43439-024-00130-4>.

²¹ Al Sentot Sudarwanto, Dona Budi Kharisma, and Diana Tantri Cahyaningsih, “Islamic Crowdfunding and Shariah Compliance Regulation: Problems and Oversight,” *Journal of Financial Crime* 31, no. 4 (June 2024): 1022–36, <https://doi.org/10.1108/JFC-01-2023-0003>.

²² Afif Noor et al., “Revolutionizing Indonesia’s Financial Landscape: The Impact of Information Technology on the Growth of Financial Technology Start-Ups,” *Multidisciplinary Reviews* 6, no. 4 (2023), <https://doi.org/10.31893/multirev.2023031>.

technology approaches in Islamic finance.²³ Although this model offers significant potential to expand access to funding and investment, it also presents various legal risks and protection gaps that must be identified comprehensively. Key areas of concern include data security, compliance with Sharia principles, information asymmetry between issuers and investors, and weak dispute resolution mechanisms.²⁴ According to Shapiro's theory of Legal Risk Management, the effectiveness of a legal system in supporting the economic sector is determined by its ability to systematically mitigate legal risk.²⁵ Therefore, mapping the various risks inherent to Sharia SBC is crucial.

The first risk that should be a primary concern when investing in a Sharia-compliant SBC is the potential for personal data breaches. This issue is crucial for Sharia SBCs, whose investors include a broad and diverse population. As a financial technology service, Sharia SBCs rely heavily on digital systems for their operations, including registration, identity verification, and fund management. This process requires investors to submit digital personal data, including their national ID card (KTP), tax identification number (NPWP), bank account details, and other financial and personal identification information. This data is stored and managed by the platform's information technology system. Key risks associated with this personal data include data breaches resulting from cyberattacks, negligence in internal data management due to weak security protocols, and the misuse of data by third parties, whether through legally binding terms and conditions or unauthorized means, such as hacking or data sales. It is essential to note that implementing enhanced security measures can help mitigate these risks. Throughout 2023, the National Cyber and Cryptography Agency (BSSN) recorded more than 400 million cyber traffic anomalies, indicating attacks on various digital systems in Indonesia.²⁶ This highlights the high potential for personal data breaches on digital platforms, including Sharia SBCs. The risk of personal data breaches is exacerbated by the low level of security technology readiness and weak regulatory sanctions for data breaches in the Sharia fintech sector, further increasing the potential risks faced by investors.

The second risk is non-compliance with Sharia principles. Sharia SBCs must adhere to the guidelines of Islamic jurisprudence (*fiqh al-mu'amalāt*), which emphasize fairness, transparency, and the prohibition of *riba* (interest), *gharar* (uncertainty), and *maysir* (speculation).²⁷ However, in practice, many Sharia SBC platforms fail to actively engage the Sharia Supervisory Board (DPS) or provide Sharia opinions for each investment project. Furthermore, many operators treat *musharakah* or *mudharabah* contracts as mere formalities without fulfilling their substantive requirements. According to a 2023 OJK report, only five of the eleven active Sharia SBC platforms consistently submit reports on their implementation of Sharia supervision.²⁸ It is crucial to highlight the importance of accurate profit-sharing methods, as some platforms have profit-sharing systems that closely resemble interest-based systems, fundamentally contradicting Sharia principles and posing significant risks to investors.

²³ Marwan Abdeldayem and Saeed Aldulaimi, "Developing an Islamic Crowdfunding Model: A New Innovative Mechanism to Finance SMEs in the Middle East," *International Journal of Organizational Analysis* 31, no. 6 (2023): 2623-44, <https://doi.org/10.1108/IJOA-02-2022-3159>.

²⁴ Achsania Hendratmi, Muhamad Nafik Hadi Ryandono, and Puji Sucia Sukmaningrum, "Developing Islamic Crowdfunding Website Platform for Startup Companies in Indonesia," *Journal of Islamic Marketing* 11, no. 5 (2020): 1041-53, <https://doi.org/10.1108/JIMA-02-2019-0022>.

²⁵ Scott J. Shapiro, "The Planning Theory of Law," *SSRN Electronic Journal*, 2017, <https://doi.org/10.2139/ssrn.2937990>.

²⁶ Badan Siber dan Sandi Negara RI, "Laporan Keamanan Siber Indonesia (Bsnsi)," 2023.

²⁷ Faizi Faizi, Airlangga Surya Kusuma, and Purwanto Widodo, "Islamic Green Finance: Mapping the Climate Funding Landscape in Indonesia," *International Journal of Ethics and Systems*, no. 595 (2024), <https://doi.org/10.1108/IJOES-08-2023-0189>.

²⁸ Otoritas Jasa Keuangan RI, "Laporan Perkembangan Keuangan Syariah Indonesia 2023" (Jakarta, 2023).

The lack of administrative sanctions for violations of the Sharia principles further exacerbates this problem. OJK Regulation No. 57/POJK.04/2020 on Offering Securities through Information Technology-Based Crowdfunding, as amended by POJK No. 16/POJK.04/2021, does not explicitly regulate the administrative sanctions for Sharia violations. Chapter XI of POJK No. 57/2020 outlines general sanctions, including written warnings, fines, restrictions on business activities, suspensions, and license revocations. However, these provisions are general and do not specifically address violations of Sharia law. This regulatory vacuum highlights the need for more robust and enforceable laws that effectively discourage non-compliance with Sharia principles in SBC. In general, many risks are still associated with Sharia in Indonesian SBC services.²⁹ First, the absence of fatwas, which formally bind to legal norms. Although POJK No. 57/POJK.04/2020 mandates that Sharia SBC providers must have a DPS and appoint Islamic capital market experts, this requirement is administrative and lacks clear legal consequences for non-compliance. Fatwas issued by the DSN-MUI serve only as moral or normative guidelines. No regulation currently treats violations of fatwas as legal breaches subject to administrative sanctions by regulators, such as the OJK. As a result, no legal mechanism fully compels Sharia SBC providers to comply with *fiqh al-mu'amalāt*.

Moreover, information provided by issuers is often not independently verified. The prevalence of self-reported, unaudited profit projections, market targets, and business feasibility studies makes it possible for statistics to be manipulated or corporate performance to be window-dressed. To make their firm seem more appealing, an issuer could, for example, underestimate their market targets or overstate their profit estimates. This could mislead investors into believing that the investment is more profitable or less risky than it actually is. Because investors cannot monitor or validate the information provided, issuers may make speculative business decisions, thereby creating a moral hazard.

Furthermore, many investors on Sharia SBC platforms are retail participants with limited financial literacy and insufficient understanding of Sharia principles. According to the 2024 National Survey on Financial Literacy and Inclusion (SNLIK), conducted by the OJK in collaboration with the Central Statistics Agency (BPS), the financial literacy index for Islamic finance among the Indonesian population is 39.11%, while the inclusion index is 12.88%.³⁰ These data suggest that the public's understanding of Islamic finance remains underdeveloped. As a result, investors are vulnerable to investing in products that are either non-compliant with Sharia principles or overly speculative. In this context, even when information is disclosed, limited financial and Sharia literacy may prevent investors from accurately interpreting it, rendering the disclosure ineffective. Therefore, to address the risk of information asymmetry in Sharia SBC, efforts must be made to enhance transparency on the part of issuers, alongside initiatives to improve financial literacy and Sharia understanding among investors, offering hope for the future of Islamic finance.

POJK No. 57/POJK.04/2020 requires platform operators to disclose public information through their websites or applications. The information that must be disclosed includes general information about the issuer, the purpose of the funds, investment risks, and annual financial reports. Although

²⁹ Muhammad Habibi Miftakhul Marwa et al., "The Position and Role of the Sharia Supervisory Board in Ensuring Sharia Compliance Equity Crowdfunding in Indonesia," *Jurnal Hukum Unissula* 39, no. 2 (2023): 212–30, <https://doi.org/10.26532/jh.v39i2.33330>.

³⁰ Otoritas Jasa Keuangan RI dan Badan Pusat Statistik RI, "Survei Nasional Literasi Dan Inklusi Keuangan Tahun 2024" (Jakarta, 2024).

this rule provides a foundation for openness, a serious problem exists with the lack of a uniform structure for information sharing across platforms. Investors often struggle to compare projects objectively due to this lack of uniformity, which can be detrimental, particularly in Sharia-based crowdfunding. Each platform's distinct information presentation formats make it more difficult to assess risk and investment viability, exacerbating information asymmetry and depriving investors of a standard by which to measure their performance. Each platform's distinct information presentation formats make it more difficult to assess risk and investment viability, exacerbating information asymmetry and depriving investors of a standard by which to measure their performance.

Second, issuers, particularly startups or SMEs, are exempt from the regulation's requirement to present financial reports that have been independently audited.³¹ As a result, the financial information provided is one-sided and unverifiable. In the 2023 Indonesian Sharia Financial Development Report, the OJK noted that most Sharia SBC platforms still rely on data that has not been externally audited, thereby increasing the risk of information manipulation by issuers.³² Third, POJK No. 57/2020 does not impose an obligation on platforms to conduct risk assessments or provide ratings for the projects they offer. All information comes from the issuers, and investors are left to assess the projects' feasibility independently, even though most lack adequate analytical capacity. The Islamic financial literacy index, currently at 39.11%, suggests that most retail investors lack the necessary skills to analyze financial information or assess the Sharia compliance of the investment products offered.

POJK No. 57/2020 does not explicitly stipulate sanctions for issuers who provide incorrect, misleading, or exaggerated information. The lack of efficient oversight and enforcement systems weakens investors' legal protection. Because no clear legal violations can be demonstrated, investors often struggle to obtain compensation if they lose money due to fraud or unsuccessful initiatives. This knowledge asymmetry directly raises investment risk.

From an Islamic legal perspective, transactions involving *gharar* (uncertainty or ambiguity) or incomplete information are prohibited. *Gharar* is a concept in Islamic finance that signifies uncertainty in a contract. From the standpoint of *maqāṣid al-shari‘ah*, information asymmetry contradicts the principle of asset protection (*hifz al-māl*), which requires clarity and honesty in all economic transactions. When Sharia business contracts have information asymmetry, they may fall into the category of *gharar*. This not only creates economic risks but also renders the transactions invalid according to Islamic law. To align with Islamic values, Sharia-compliant businesses need to strengthen their regulatory frameworks and enhance Islamic financial literacy, thereby promoting transparency and justice. The current regulatory gaps underscore the need for more robust, enforceable laws that effectively discourage non-compliance with Sharia principles in business practices. Overall, significant risks are still associated with Sharia SBC services in Indonesia.

Information asymmetry between securities issuers and investors is the third significant risk in Sharia SBC services. This risk arises when one party, typically the issuer, has comprehensive and detailed information about its financial and business conditions, but investors do not.³³ Issuers have free access to internal company data, including financial reports, risk projections, and background

³¹ Raden Arfan Rifqijawan et al., "Legal and Accounting Review of Sharia Fintech Financial Reports on Official Websites," *Al-Ahkam* 35, no. 1 (2025): 59–86, <https://doi.org/10.21580/ahkam.2025.35.1.23544>.the Financial Services Authority (OJK

³² Otoritas Jasa Keuangan RI, "Laporan Perkembangan Keuangan Syariah Indonesia 2023."

³³ Donald D. Bergh et al., "Information Asymmetry in Management Research: Past Accomplishments and Future Opportunities," *Journal of Management* 45, no. 1 (2019): 122–58, <https://doi.org/10.1177/0149206318798026>.

information, whereas investors often lack adequate information about the companies they invest in. Investors typically receive limited information about the company through campaign pages on service providers' platforms, and the displayed data may be inaccurate or outdated. This imbalance can create serious problems for the sustainability of investors' investments. Transparency and clear contracts between issuers and investors are essential in Islamic law.³⁴ If investors purchase securities without understanding the underlying business, the contract can be invalid from a *fiqh al-mu'amalāt* perspective.

In addition to the three risks mentioned above, weaknesses in dispute resolution and enforcement mechanisms are a fourth risk that must be mitigated in Sharia SBC services. Effective dispute resolution mechanisms, oversight, and legal enforcement are crucial to protect investor interests and maintain market integrity. A sound dispute resolution mechanism is an integral part of Islamic principles, demonstrating the application of the fundamental principle of justice, a cornerstone of Islamic economics.³⁵

According to the rule of law theory, to achieve justice, all parties must comply with applicable laws to uphold their rights and responsibilities.³⁶ This rule of law concept aligns with the *maqāṣid al-shari‘ah* (objectives of Islamic law), specifically the protection of property (*hifzh al-māl*) and social justice ('*adl wa ihsan*), which require a legal system that ensures that transactions on Sharia SBC services are conducted based on *fiqh al-mu'amalāt* (Islamic jurisprudence). The supremacy of law is a fundamental principle of Islamic law, emphasizing legal certainty, equality before the law, and the protection of individual rights.³⁷ Therefore, compliance with Islamic law is not only a requirement but also a foundation for maintaining market integrity.

An accessible, efficient, and fair dispute resolution mechanism at Sharia SBC must also accompany compliance with applicable law. Litigation is often burdensome for investors due to its formal, expensive, and time-consuming nature. Therefore, non-litigation alternative dispute resolution methods should be considered. In *fiqh al-mu'amalāt*, the ideal dispute resolution method is *musyāwarah* (deliberation) conducted impartially and to achieve *maslahah* (public interest).³⁸ Islam encourages peaceful approaches such as *tahkim* (arbitration), *sulh* (mediation), and *hisbah* (public oversight) as swift and fair mechanisms. The absence of institutions or regulations enabling these options in Sharia SBCs creates a normative vacuum that needs to be addressed to mitigate risks for investors.

³⁴ Azlin Alisa Ahmad, Mat Noor Mat Zain, and Nur Diyana Amanina Zakaria, "The Position of Smart Contracts in the Light of Islamic Contract Theory," *Samarah* 8, no. 1 (2024): 144–71, <https://doi.org/10.22373/sjhk.v8i1.16372>.

³⁵ Miftakhul Huda and Hisam Ahyani, "Normative Justice and Implementation Related to Sharia Economic Law Disputes in Realizing Legal Certainty and Justice in Indonesia," *Al-Risalah: Forum Kajian Hukum Dan Sosial Kemasyarakatan* 24, no. 1 (June 29, 2024): 103–19, <https://doi.org/10.30631/alrisalah.v24i1.1467>.

³⁶ Thomas W. Merrill, "The Essential Meaning of the Rule of Law," *Journal of Law, Economics and Policy* 17, no. 4 (2022): 183–95, <https://doi.org/10.1086/473546>.

³⁷ Moamen Gouda, "Islamic Constitutionalism and Rule of Law: A Constitutional Economics Perspective," *Constitutional Political Economy* 24, no. 1 (2013): 57–85, <https://doi.org/10.1007/s10602-012-9132-5>.

³⁸ Dwi Fidhayanti et al., "Implementing Confidentiality Principles in Sharia Economic Dispute Resolution Through Online Dispute Resolution in Indonesia," *Al-Risalah: Forum Kajian Hukum Dan Sosial Kemasyarakatan* 25, no. 1 (June 19, 2025): 33–52, <https://doi.org/10.30631/alrisalah.v25i1.1681>.

Integrative Model of Investor Legal Protection Based on Positive Law and *Fiqh al-Mu'amalāt* in Sharia Securities-Based Crowdfunding

Investment through Sharia SBC represents an innovative approach in the financial sector, combining financial technology with the principles of *fiqh al-mu'amalāt*. This model provides open investment opportunities to the public while adhering to Sharia principles, including the prohibition of *riba* (interest), *gharar* (uncertainty), and *maysir* (gambling).³⁹ In Indonesia, the regulatory framework for SBC Sharia investors is established through positive laws such as the Consumer Protection Law, the Information and Electronic Transactions Law (ITE), Law No. 21 of 2011 on the OJK, and POJK No. 57/POJK.04/2020, as amended by POJK No. 16/POJK. 04/2021 on Crowdfunding Services through Technology-Based Securities Offerings. This legal basis and Fatwa DSN-MUI No. 117/DSN-MUI/II/2018 provide a foundation for SBC in Indonesia. However, the challenges of low financial literacy and insufficient Sharia oversight underscore the gravity of the issue, necessitating immediate attention.

An integrative legal protection model is urgently needed to address the current shortcomings in legal and ethical safeguards within Sharia SBC.⁴⁰ This model, which combines the approaches of positive law and *fiqh al-mu'amalāt*, is believed to provide a more comprehensive, fair, and adaptable framework for protecting Sharia SBC investors.⁴¹ From the perspective of positive laws, as previously mentioned, the government has issued several laws to protect Sharia SBC investors. First, Law No. 8 of 1999 on Consumer Protection provides a legal basis for protecting consumers/investors in exercising their fundamental rights, such as the right to accurate information and safety. Second, Law No. 11 of 2008, most recently amended by Law No. 1 of 2024 concerning Electronic Information and Transactions, ensures the security of digital transactions and the protection of personal data.

Moreover, to reinforce personal data protection, the government enacted Law No. 27 of 2022 on Personal Data Protection (PDP Law) and Law No. 21 of 2011 on the OJK, granting the OJK authority to regulate and supervise financial service providers, including Sharia SBC platforms. POJK No. 57/POJK.04/2020 and POJK No. 16/POJK.04/2021 provide the legal foundation for implementing information-technology-based crowdfunding services, including regulatory oversight of providers and investor protection. These POJKs require SBC providers to have a risk management system, data security protocols, and precise dispute-resolution mechanisms.

However, these regulations have not yet provided maximum protection to Sharia SBC investors.⁴² In terms of data protection, although general regulations exist, such as the ITE Law, PDP Law, and POJK No. 22 of 2023 on Consumer and Community Protection in the Financial Services Sector, their implementation remains flawed. This directly affects the protection of investors in Sharia SBC. The

³⁹ Choirul Nikmah and Rern Jay Hung, "The Impact of ASEAN Economic Community, Firm Characteristics and Macroeconomics on Firm Performance and Firm Value: An Investigation of Shariah-Compliant Firms in Indonesia," *Helijon* 10, no. 11 (2024): e32740, <https://doi.org/10.1016/j.helijon.2024.e32740>.where these restrictions may impact both firm performance and firm value, particularly in the AEC era. Therefore, the SCF has to utilize internal factors to strengthen the firm while also considering the external factor of macroeconomics. The purpose of this paper is to examine the internal factors—firm age, size and efficiency (FASE)

⁴⁰ Antonella Francesca Cicchiello, "Harmonizing the Crowdfunding Regulation in Europe: Need, Challenges, and Risks," *Journal of Small Business and Entrepreneurship* 32, no. 6 (2020): 585–606, <https://doi.org/10.1080/08276331.2019.1603945>.

⁴¹ S Saifullah, F A A Munawar, and ..., "Legal Positivism and Fiqh Muamalah Paradigm's on Indonesian Sharia Fintech Legal Framework," *Al-Iqtishad: Jurnal ...*, no. June (2024), <https://doi.org/10.15408/aiq.v16i1.39237>.

⁴² Mahfudz, Ahsanti, and Ahmad, "Shariah Securities Crowdfunding Platform in Indonesia: An Appraisal Based on Regulatory Framework and Shariah Perspectives."

ITE Law provides only general provisions, without detailing technical data security standards.⁴³ Although the PDP Law is progressive, it has not been fully implemented in the fintech sector, either technically or institutionally.⁴⁴ Additionally, there is no obligation for periodic independent audits of information systems, and strict supervision of data collection and usage practices by Sharia SBC platforms is lacking.

To protect consumers in the financial services industry, the OJK has issued Regulation No. 22 of 2023 concerning Consumer and Community Protection in the Financial Services Sector, which regulates the rights of financial service consumers, including the protection of their personal data. However, in the context of Sharia SBCs, this regulation does not establish minimum standards for data protection technology that platforms must meet. It also does not explicitly stipulate administrative sanctions for Sharia SBC service providers who fail to protect consumer data. This fact exposes Sharia SBC investors to the risk of identity theft for criminal activity, unauthorized access to financial accounts, investment fraud and manipulation, and the unauthorized dissemination of personal information, which violates individual privacy and dignity. This clearly contradicts the theory of technology law, which stipulates that legal instruments must respond to changes in the “code architecture” of the digital realm.⁴⁵

From a Sharia perspective, negligence in protecting the personal data of Sharia SBC service users violates the principles of *hifzh al-māl* (protection of wealth) and *hifzh al-irdh* (protection of dignity), two of the five main objectives of *maqāṣid al-shari‘ah*. Therefore, failure to protect personal data is not only a violation of the law but also a violation of Islamic ethical values and contradicts the principles that uphold *amānah* (trust), *mas‘uliyah* (responsibility), and *ittibā‘ al-shari‘ah* (compliance with Islamic law). Based on the concept of amanah, anyone entrusted to access another person’s information must diligently protect it. An integration of positive law and Islamic legal principles is needed to protect users of Sharia SBC services. In this integrative model, the management of investor data by the platform should be treated as a fiduciary trust (*‘aqd amānah*), and any violation should be viewed not only as a violation of the law but also as a violation of Sharia that requires moral and religious sanctions. Misuse of personal data without consent constitutes a breach of trust, or *amānah*. From the perspective of digital rights theory, every individual has the right to control and secure their electronically processed data.⁴⁶ The state must protect these rights through substantive regulation, strict legal enforcement, and an independent supervisory infrastructure.

An integrative legal protection model that combines positive law and Islamic jurisprudence (*fiqh al-mu‘āmalāt*) is designed to provide comprehensive and sustainable legal and ethical protection for investor data. An integrative approach combining positive law and Islamic law is expected to create a robust framework for legal development. From a legal perspective, the PDP Law and the OJK regulations, which require SBC platform operators to secure investor information using adequate technology, including data encryption, multi-layered authentication, and regular digital audits, serve

⁴³ Made Emu et al., *Personal Data Protection Model in the Digital Economy Era (Comparative Study of Indonesia and Malaysia)*, *Pakistan Journal of Life and Social Sciences*, vol. 23, 2025.

⁴⁴ Ajisatria Suleiman, Pingkan Audrine, and Thomas Dewaranu, “Co-Regulation in Protecting Personal Data: The Role of Industry Associations as Potential Self-Regulatory Organizations - CIPS Policy Paper,” 2022.

⁴⁵ Lawrence Lessig, “Law Regulating Code Regulating Law,” *Economic Theory* 35, no. 1 (2003): 1-14.

⁴⁶ Stefaan Verhulst et al., “The Emergence of a Third Wave of Open Data: How To Accelerate the Re-Use of Data for Public Interest Purposes While Ensuring Data Rights and Community Flourishing,” *SSRN Electronic Journal*, 2021, 1-23, <https://doi.org/10.2139/ssrn.3937638>.

as the legal basis for personal data protection. Technically, the OJK, as the supervisory authority for the financial services sector, plays a leading role in ensuring that all platforms comply with the provisions, ensuring that the obligations to protect personal data stipulated in the PDP Law are truly implemented and enforced by the OJK.

From a *fiqh al-mu'amalāt* perspective, personal data protection is fundamentally rooted in the concepts of *amānah* (trust) and moral responsibility.⁴⁷ This theological and ethical foundation demands the establishment of an effective Sharia-based internal oversight mechanism, particularly through the active and crucial role of the DPS. As an independent and authoritative body, the DPS provides Sharia legitimacy and serves as an ethical oversight body, evaluating platform data governance systems and policies to ensure compliance with Sharia principles. In this context, the protection of user privacy and personal data is understood as part of the broader ethical framework of the *maqāṣid al-shari‘ah* (obligatory obligations of Sharia), particularly in relation to the preservation of wealth (*hifz al-māl*) and the protection of personal dignity (*hifz al-‘ird*).⁴⁸ As such, the DPS plays a crucial role in operationalizing these objectives by overseeing the operations of platforms and digital infrastructure.⁴⁹

The proposed integrated legal protection model is expected to protect investor rights both legally and ethically comprehensively. This comprehensive approach can provide investors with greater assurance regarding the security of their personal data, which is protected under two complementary legal systems, positive law and Islamic law. At the same time, platform operators are motivated to maintain data protection requirements due to fear of state threats, religious and moral obligations, and an internal inclination to act ethically. Such a holistic approach will foster a sense of security and confidence within a framework that guarantees the protection of investor rights.

Regarding the risk of Sharia non-compliance, which may arise when Sharia SBC platforms, issuers, or even the structure of the offered investment instruments do not fully align with the principles of *fiqh al-mu'amalāt*, such as the prohibitions of *riba* (usury), *gharar* (ambiguity), and *maysir* (speculation). To address this issue, an integrative legal protection model combines the strength of national positive law with the principles of *fiqh al-mu'amalāt*. This integrative model is implemented using the following measures.

First, from the perspective of positive law, the state, through the OJK, has the authority to regulate and supervise Sharia SBC platforms pursuant to OJK Regulation No. 57/POJK.04/2020 and other implementing regulations. However, this regulation remains neutral towards Sharia and does not explicitly mandate its provisions as binding norms. Therefore, in the integrative model, positive law must be reinforced by requiring Sharia certification, involvement of a DPS, and regular reporting on compliance with Sharia principles as operational requirements.

Second, fatwas and the principles of *maqāṣid al-shari‘ah* become the ethical and normative foundation.⁵⁰ Non-compliance with Sharia principles poses legal risks and undermines the values

⁴⁷ Syed Nazim Ali, “Building Trust in Islamic Finance Products and Services,” *Society and Business Review* 12, no. 3 (2017): 356–72, <https://doi.org/10.1108/sbr-03-2017-0017>.

⁴⁸ Afif Noor et al., “Maslahah -Based Protection of Fund Recipients in Fintech Lending Through Empowerment and Justice,” *El-Mashlahah* 15, no. 1 (2025): 1–20, <https://doi.org/10.23971/el-mashlahah.v15i1.7786>.

⁴⁹ Tri Hidayati et al., “Digitalization of Islamic Finance: Epistemological Study of the National Sharia Board-Indonesian Council of Ulama’s Fatwa,” *Al-Ahkam* 33, no. 2 (October 31, 2023): 255–78, <https://doi.org/10.21580/ahkam.2023.33.2.17324>.

⁵⁰ Lailiya and Rohmawati Kusumaningtias, “Impact and Risk Management of Sharia Non-Compliance in Islamic Banking,” *Proceeding of International Conference on Accounting & Finance* 2 (2024): 583–93.

of justice and trust that underpin Islamic finance. *Maqāṣid al-shari‘ah* principles, such as *hifzh al-māl* (protection of wealth) and *hifzh al-dīn* (protection of religion), must be used as references to assess the legitimacy and feasibility of projects funded through the Sharia SBC.⁵¹ In this regard, integrating fatwas into the formal legal framework becomes crucial so that violations of Sharia are not merely considered moral failings, but also administrative and legal violations.

Third, to strengthen the implementation of this integrative model, the application of dual sanctions is also crucial to enhance its effectiveness. In cases of violation of Sharia principles, Sharia SBC service providers must be subject to administrative sanctions by the regulator in the form of license revocation, fines, or business suspension, and moral sanctions by the DPS or Sharia institutions (such as downgrading Sharia compliance status or disclosing violations to investors). The implementation of this dual sanctions system is expected to prevent and ensure the stability of the Sharia SBC system, as well as its compliance with both positive and Islamic law. With this two-pronged approach, the protection of Sharia SBC investors relies not only on explicit law but also on Islamic ethical values entrenched in society. This protection model will foster investor confidence and maintain the consistency and authenticity of Sharia SBC as a fair, safe, and accountable Islamic financial instrument.

From a law enforcement perspective, this integrative model must also be encouraged by stronger coordination between the OJK and the DSN-MUI. DSN-MUI fatwas must be institutionalized in regulations and recognized as legally binding. Therefore, violations of Sharia fatwas, such as the use of invalid contracts or project manipulation contrary to Islamic principles, must be subject to administrative sanctions by the OJK, including license revocation, fines, or restrictions on business activities. As the primary regulator, the OJK is responsible for ensuring that all financial activities, including those in Sharia SBCs, comply with Sharia principles. In its oversight, the OJK must involve the Supervisory Board in evaluating platform compliance with Sharia principles and regularly report findings to the relevant authorities.

An integrative model of positive law and *fīqh al-mu’āmalāt* is urgently needed to protect Sharia-compliant SBC investors. This model can achieve a balance between the principles of justice, certainty, and benefit. Harmony between state law and Sharia principles provides strong legal protection and preserves Islamic values in modern, digitally based investment operations. In the long term, this trend is expected to create a healthy, fair, and sustainable Sharia investment climate in Indonesia.

Conclusion

This article concludes that legal protection for investors in Sharia SBC in Indonesia, provided through a dual regulatory model, does not guarantee legal certainty or investor protection. Normatively, POJK No. 57/POJK.04/2020, in conjunction with POJK No. 16/POJK.04/2021 provides a basic framework for supervision and licensing, but has not integrated the DSN-MUI fatwas as binding legal norms into the operational and supervisory phases. This situation raises the risk of digital fraud, data breaches, and Sharia non-compliance, which could potentially harm investors. Providing legal protection for investors requires strengthening the law through integrative dual regulation,

⁵¹ Azwar Azwar and Jamaluddin Jamaluddin, “Securities Crowdfunding as a Source of Capital and Alternative Investment in the *Maqāṣid Al-Shari‘ah* Perspective: Indonesian Case,” *Journal of Management and Muamalah* 14, no. 2 (2024): 99–118, <https://doi.org/10.53840/jmm.v14i2.198>.

positioning positive law and Islamic law not as separate, parallel systems but as mutually reinforcing normative regimes.

Theoretically, these findings highlight the importance of an integrative legal approach, grounded in Sharia principles, for regulating digital financial innovation within the Sharia framework. Concrete and institutional steps are necessary through regulatory revisions at the legal and financial services authority levels, including the establishment of a dispute-resolution mechanism for Sharia SBCs through alternative dispute-resolution institutions, particularly Sharia arbitration, and the implementation of mandatory, independent annual Sharia audits. With these steps, Sharia SBC can function as a digital financial innovation and an instrument of economic justice and social benefit, grounded in the *maqāṣid al-shari‘ah*.

Acknowledgment

This work was supported by the Lembaga Pengelola Dana Pendidikan (LPDP) under the Ministry of Finance of the Republic of Indonesia and the Beasiswa Indonesia Bangkit (BIB) under the Ministry of Religion of the Republic of Indonesia.

References

Abdeldayem, Marwan, and Saeed Aldulaimi. "Developing an Islamic Crowdfunding Model: A New Innovative Mechanism to Finance SMEs in the Middle East." *International Journal of Organizational Analysis* 31, no. 6 (2023): 2623–44. <https://doi.org/10.1108/IJOA-02-2022-3159>.

Abdullah, Fadli Daud, Muhamad Sadi Is, Syahid Mujahid Wiwaha, Universitas Islam Negeri, and Raden Fatah Palembang. "Contemporary Challenges for Sharia Financial Institutions to Increase Competitiveness and Product Innovation Perspective of Sharia Economic Law: Evidence in Indonesia." *MILRev : Metro Islamic Law Review* 3, no. 2 (2024): 141–73. <https://doi.org/10.32332/milrev.v3i2.9202>.

Ahmad, Azlin Alisa, Mat Noor Mat Zain, and Nur Diyana Amanina Zakaria. "The Position of Smart Contracts in the Light of Islamic Contract Theory." *Samarah* 8, no. 1 (2024): 144–71. <https://doi.org/10.22373/sjhk.v8i1.16372>.

AlBenJasim, Salah, Haifa Takruri, Rabab Al-Zaidi, and Tooska Dargahi. "Development of Cybersecurity Framework for FinTech Innovations: Bahrain as a Case Study." *International Cybersecurity Law Review* 5, no. 4 (December 2024): 501–32. <https://doi.org/10.1365/s43439-024-00130-4>.

Alhadiansyah, Erni Djun'astuti, Sugeng Susila, Marnita, Tri Dian Aprilsesa. "The Sharia Funding Risk Issues in Fintech Securities Crowdfunding: Realization of Legal Certainty in the Shari'ah Perspective." *Sasi* 29, no. 4 (2023): 777–89.

Ali, Syed Nazim. "Building Trust in Islamic Finance Products and Services." *Society and Business Review* 12, no. 3 (2017): 356–72. <https://doi.org/10.1108/sbr-03-2017-0017>.

Azwar, Azwar, and Jamaluddin Jamaluddin. "Securities Crowdfunding as a Source of Capital and Alternative Investment in the Maqāṣid Al-Shari‘ah Perspective: Indonesian Case." *Journal of Management and Muamalah* 14, no. 2 (2024): 99–118. <https://doi.org/10.53840/jmm.v14i2.198>.

Badan Siber dan Sandi Negara RI. "Laporan Keamanan Siber Indonesia (Bssn)," 2023.

Bergh, Donald D., David J. Ketchen, Ilaria Orlandi, Pursey P.M.A.R. Heugens, and Brian K. Boyd. "Information Asymmetry in Management Research: Past Accomplishments and Future Opportunities." *Journal of Management* 45, no. 1 (2019): 122–58. <https://doi.org/10.1177/0149206318798026>.

Block, Joern H., Alexander Groh, Lars Hornuf, Tom Vanacker, and Silvio Vismara. "The Entrepreneurial Finance Markets of the Future: A Comparison of Crowdfunding and Initial Coin Offerings." *Small Business Economics* 57, no. 2 (2021): 865–82. <https://doi.org/10.1007/s11187-020-00330-2>.

Cicchiello, Antonella Francesca. "Harmonizing the Crowdfunding Regulation in Europe: Need, Challenges, and Risks." *Journal of Small Business and Entrepreneurship* 32, no. 6 (2020): 585–606. <https://doi.org/10.1080/08276331.2019.1603945>.

Emy, Made, Andayani Citra, Kt Sukawati, Lanang P Perbawa, Lis Julianti, and Abu Bakar Munir. *Personal Data Protection Model in the Digital Economy Era (Comparative Study of Indonesia and Malaysia)*. *Pakistan Journal of Life and Social Sciences*. Vol. 23, 2025.

Faizi, Faizi, Airlangga Surya Kusuma, and Purwanto Widodo. "Islamic Green Finance: Mapping the Climate Funding Landscape in Indonesia." *International Journal of Ethics and Systems*, no. 595 (2024). <https://doi.org/10.1108/IJES-08-2023-0189>.

Faudzi, Maryam Sakinah, Julienty Abu Bakar, and Shuhymee Ahmad. "The Relevance of Conventional and Islamic Crowdfunding as Financing Instruments for SMEs." *Journal of Islamic Finance* 10, no. 1 (2021): 59–64.

Fidhayanti, Dwi, Mohd Shahid Mohd Noh, Ramadhita Ramadhita, Teguh Setyobudi, and Mochamad Fikry Dwi Septyanto. "Implementing Confidentiality Principles in Sharia Economic Dispute Resolution Through Online Dispute Resolution in Indonesia." *Al-Risalah: Forum Kajian Hukum Dan Sosial Kemasyarakatan* 25, no. 1 (June 19, 2025): 33–52. <https://doi.org/10.30631/alrisalah.v25i1.1681>.

Gouda, Moamen. "Islamic Constitutionalism and Rule of Law: A Constitutional Economics Perspective." *Constitutional Political Economy* 24, no. 1 (2013): 57–85. <https://doi.org/10.1007/s10602-012-9132-5>.

Hendratmi, Achsania, Muhamad Nafik Hadi Ryandono, and Puji Sucia Sukmaningrum. "Developing Islamic Crowdfunding Website Platform for Startup Companies in Indonesia." *Journal of Islamic Marketing* 11, no. 5 (2020): 1041–53. <https://doi.org/10.1108/JIMA-02-2019-0022>.

Hidayati, Tri, Muhammad Syarif Hidayatullah, Parman Komarudin, and Atika Atika. "Digitalization of Islamic Finance: Epistemological Study of the National Sharia Board-Indonesian Council of Ulama's Fatwa." *Al-Ahkam* 33, no. 2 (October 31, 2023): 255–78. <https://doi.org/10.21580/ahkam.2023.33.2.17324>.

Huda, Miftakhul, and Hisam Ahyani. "Normative Justice and Implementation Related to Sharia Economic Law Disputes in Realizing Legal Certainty and Justice in Indonesia." *Al-Risalah: Forum Kajian Hukum Dan Sosial Kemasyarakatan* 24, no. 1 (June 29, 2024): 103–19. <https://doi.org/10.30631/alrisalah.v24i1.1467>.

Hui, Ho Wen, Azwina Wati Abdull Manaf, and Asfarina Kartika Shakri. "Fintech and the Transformation of the Islamic Finance Regulatory Framework in Malaysia." *Emerging Issues in Islamic Finance Law and Practice in Malaysia*, 2019, 211–22. <https://doi.org/10.1108/978-1-78973-545-120191018>.

Lailiya, and Rohmawati Kusumaningtias. "Impact and Risk Management of Sharia Non-Compliance in Islamic Banking." *Proceeding of International Conference on Accounting & Finance 2* (2024): 583–93.

Lessig, Lawrence. "Law Regulating Code Regulating Law." *Economic Theory* 35, no. 1 (2003): 1–14.

Mahfudz, Akhmad Affandi, Afife Rahma Ahsanti, and Helmy Fauzy Ahmad. "Shariah Securities Crowdfunding Platform in Indonesia: An Appraisal Based on Regulatory Framework and Shariah Perspectives." In *Proceedings of the Conference on SDGs Transformation through the Creative Economy: Encouraging Innovation and Sustainability (TCEEIS 2023)*, 75–79. Atlantis Press International BV, 2023. https://doi.org/10.2991/978-94-6463-346-7_15.

Majid, Rifaldi, and Rizky Aditya Nugraha. "Crowdfunding and Islamic Securities: The Role of Financial Literacy." *Journal of Islamic Monetary Economics and Finance* 8, no. 1 (2022): 89–112. <https://doi.org/10.21098/jimf.v8i1.1420>.

Marwa, Muhammad Habibi Miftakhul, Sholahuddin Al-Fatih, Mohammad Azam Hussain, and Haris. "The Position and Role of the Sharia Supervisory Board in Ensuring Sharia Compliance Equity Crowdfunding in Indonesia." *Jurnal Hukum Unissula* 39, no. 2 (2023): 212–30. <https://doi.org/10.26532/jh.v39i2.33330>.

Merrill, Thomas W. "The Essential Meaning of of the Rule of Law." *Journal of Law, Economics and Policy* 17, no. 4 (2022): 183–95. <https://doi.org/10.1086/473546>.

Nikmah, Choirul, and Rern Jay Hung. "The Impact of ASEAN Economic Community, Firm Characteristics and Macroeconomics on Firm Performance and Firm Value: An Investigation of Shariah-Compliant Firms in Indonesia." *Heliyon* 10, no. 11 (2024): e32740. <https://doi.org/10.1016/j.heliyon.2024.e32740>.

Noor, Afif. "The Legal Regulatory Framework of Sharia Securities Crowdfunding in Indonesia." *Masalah-Masalah Hukum* 51, no. 4 (2022): 433–44. <https://doi.org/10.14710/mmh.51.4.2022.433-444>.

Noor, Afif, Moh Arifin, Deni Parama Widia Astuti, Maria Anna Muryani, Noor Rosyidah, Maliki Alfajr Davin Chandra Saputra, Dwi Wulandari, et al. "Revolutionizing Indonesia's Financial Landscape: The Impact of Information Technology on the Growth of Financial Technology Start-Ups." *Multidisciplinary Reviews* 6, no. 4 (2023). <https://doi.org/10.31893/multirev.2023031>.

Noor, Afif, Maruf, Muhamad Zainal Mawahib, and Muhammad Akmal Habib. "Developing Inclusive Regulations for Muslim Disabled Entrepreneurs' Access to Sharia Fintech: Legal and Accessibility Perspectives." *Jurnal Ilmiah Al-Syir'ah* 23, no. 1 (2025): 70–86. <https://doi.org/10.30984/jis.v23i1.3194>.

Noor, Afif, Ismail Marzuki, Edy Saputro, and Muhammad Akmal Habib. "Overcoming Regulatory Hurdles in the Indonesian Crowdfunding Landscape." *Volksgeist: Jurnal Ilmu Hukum Dan Konstitusi* 6, no. 2 (2023): 245–60. <https://doi.org/10.24090/volksgeist.v6i2.9447>.

Noor, Afif, Ali Maskur, Arifana Nur Kholid, and Aisa Rurkinantia. "Maslahah -Based Protection of Fund Recipients in Fintech Lending Through Empowerment and Justice." *El-Mashlahah* 15, no. 1 (2025): 1–20. <https://doi.org/10.23971/el-mashlahah.v15i1.7786>.

Noor, Afif, Ali Maskur, Dwi Wulandari, Aqila-Syarief Muhammad Afif, and Muhammad Fazli Azmi. "Digital Economy Regulation and Consumer Rights Protection: Realizing Security in Financial Technology Transactions." *Lex Scientia Law Review*. Vol. 9, 2025. <https://doi.org/10.15294/lslr.v9i2.24927>.

Novitarani, Anisah, and Ro'fah Setyowati. "Analisis Crowdfunding Syariah Berdasarkan Prinsip Syariah Compliance Serta Implementasinya Dalam Produk Perbankan Syariah." *Al-Manahij: Jurnal Kajian Hukum Islam* 12, no. 2 (2018): 247–62. <https://doi.org/10.24090/mnh.v12i2.1759>.

Otoritas Jasa Keuangan RI. "Laporan Perkembangan Keuangan Syariah Indonesia 2023." Jakarta, 2023.

Otoritas Jasa Keuangan RI dan Badan Pusat Statistik RI. "Survei Nasional Literasi Dan Inklusi Keuangan Tahun 2024." Jakarta, 2024.

Pratama, Kristianus Jimy. "Regulatory Challenges in Digital Foreign Investment." *Indonesian Law Journal* 15, no. 2 (2022): 111–24.

Rahardyan, Aziz. "Kontribusi Fintech Urun Dana Syariah Tembus 52% Sepanjang 2024." *finansial.bisnis.com*, 2025.

Rifqiawan, Raden Arfan, Abdul Ghofur, Ali Murtadho, Supangat Supangat, and Zakeya Sanad. "Legal and Accounting Review of Sharia Fintech Financial Reports on Official Websites." *Al-Ahkam* 35, no. 1 (2025): 59–86. <https://doi.org/10.21580/ahkam.2025.35.1.23544>.

Saifullah, S, F A A Munawar, and ... "Legal Positivism and Fiqh Muamalah Paradigm's on Indonesian Sharia Fintech Legal Framework." *Al-Iqtishad: Jurnal* ..., no. June (2024). <https://doi.org/10.15408/aiq.v16i1.39237>.

Sempill, J. "Ruler's Sword, Citizen's Shield: The Rule of Law & the Constitution of Power." *Journal of Law & Politics*, 2016, 333–416.

Serwaah, Priscilla, Rotem Shneor, Samuel Anokye, and Kristian Roed. "Technology in Society Explaining Gender Differences in Crowdfunding Contribution Intentions." *Technology in Society* 76, no. October 2023 (2024): 102425. <https://doi.org/10.1016/j.techsoc.2023.102425>.

Shapiro, Scott J. "The Planning Theory of Law." *SSRN Electronic Journal*, 2017. <https://doi.org/10.2139/ssrn.2937990>.

Sudarwanto, Al Sentot, Dona Budi Kharisma, and Diana Tantri Cahyaningsih. "Islamic Crowdfunding and Shariah Compliance Regulation: Problems and Oversight." *Journal of Financial Crime* 31, no. 4 (June 2024): 1022–36. <https://doi.org/10.1108/JFC-01-2023-0003>.

Suleiman, Ajisatria, Pingkan Audrine, and Thomas Dewaranu. "Co-Regulation in Protecting Personal Data: The Role of Industry Associations as Potential Self-Regulatory Organizations - CIPS Policy Paper," 2022.

Syakirah, Salwa Naya, and Haipa Nisrina Sayyidah. "Urgensi Penguatan Implementasi Terkait Pelindungan Data Pribadi Bagi Pemodal Sektor Jasa Keuangan Equity Crowdfunding Di Indonesia (Studi Komparasi Terhadap Negara Malaysia)." *Padjadjaran Law Review* 12, no. 1 (2024): 109–22.

Tarantang, Jefry, and Ni Nyoman Adi Astiti. "The Legal Argumentation Regulatory Framework for Management of Sharia Funding and Risk Loans in Indonesia." *Jurnal Ilmiah Al-Syir'ah* 21, no. 1 (2023): 72. <https://doi.org/10.30984/jis.v21i1.2268>.

Verhulst, Stefaan, Andrew Young, Andrew Zahuranec, Ania Calderon, Matt Gee, and Susan Ariel Aaronson. "The Emergence of a Third Wave of Open Data: How To Accelerate the Re-Use of Data for Public Interest Purposes While Ensuring Data Rights and Community Flourishing." *SSRN Electronic Journal*, 2021, 1–23. <https://doi.org/10.2139/ssrn.3937638>.

Waluyo, Herlina, Irene Putri A.S.Sinaga, and Fajar Sugianto. "Perlindungan Hukum Otoritas Jasa Keuangan Terhadap Penyelenggara Layanan Urun Dana Berbasis Efek Berdasarkan POJK Nomor 16/POJK.04/2021." *DiH: Jurnal Ilmu Hukum* 18, no. 2 (2022): 131–46. <https://doi.org/10.30996/dih.v0i0.6241>.

