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Implementation of The Wakalah Bil Ujah Agreement in Sharia Financial Technology (Fintech) Services In Indonesia Reviewed From the Specific Specificity of Legal Certainty and Consumer Protection

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Abstract: The development of Sharia financial technology (fintech) services in Indonesia is driving the transformation of Sharia contracts into digital-based systems, one of which is the wakalah bil ujah contract. This contract forms the basis of the legal relationship between platform providers and service users in financing mechanisms, fundraising, and other financial intermediary services. This study aims to analyze the legal construction and implementation of the wakalah bil ujah contract in Sharia fintech in Indonesia and assess its compliance with the principles of legal certainty and consumer protection. The research method used is normative legal research with a statutory and conceptual approach. Primary legal materials include laws and regulations, including Law Number 21 of 2008 concerning Sharia Banking, Law Number 8 of 1999 concerning Consumer Protection, and regulations and supervision by the Financial Services Authority. Furthermore, this study also refers to the fatwa of the National Sharia Council of the Indonesian Ulema Council regarding the wakalah bil ujah contract. Secondary legal materials, including literature, scientific journals, and relevant legal doctrines, were analyzed qualitatively. The results of the study indicate that, normatively, the wakalah bil ujah contract in Islamic fintech has an adequate legal basis through sectoral regulations and Islamic fatwas. However, in practice, several problems remain, including the unclear construction of legal relationships between parties in digital contracts, the potential use of standard clauses that are detrimental to consumers, and the suboptimal transparency of risks and responsibilities of platform operators. These conditions indicate that the implementation of the wakalah bil ujah contract does not fully reflect the principles of legal certainty and consumer protection as mandated by the national legal system. Therefore, regulatory harmonization, strengthening of supervisory mechanisms, and standardization of Sharia-based digital contracts are needed to ensure legal certainty and consumer protection in the implementation of Islamic fintech in Indonesia.

Keywords: Wakalah Bil Ujah, Islamic Fintech, Legal Certainty, Consumer Protection, Digital Contracts

INTRODUCTION

The development of information and communication technology has brought fundamental changes to the global financial system, including in Indonesia. Digital transformation has driven the emergence of technology-based financial service models known as financial technology (fintech). In Indonesia, the growth of fintech has been very rapid, in line with increasing internet penetration, the widespread use of smartphones, and the growing public demand for financial services that are fast, accessible, and efficient. In this context, fintech not only serves as an alternative to conventional financial institutions but also functions as a strategic instrument in promoting national financial inclusion.

From a regulatory perspective, the existence and operation of fintech in Indonesia are under the supervision of the Financial Services Authority (Otoritas Jasa Keuangan/OJK), which holds the authority to regulate and oversee the financial services sector. Through various regulations, OJK governs licensing, governance, risk management, and consumer protection aspects in fintech services. On the other hand, Bank Indonesia (BI) also plays a role in regulating technology-based payment systems. The synergy between these two institutions forms the foundation for building a healthy and sustainable fintech ecosystem.

Along with the increasing awareness among Muslim communities regarding the importance of aligning financial transactions with sharia principles, sharia-based fintech services have also developed. Sharia fintech emerges as a response to the public's need for digital financial services that are not only efficient but also compliant with Islamic legal principles, such as the prohibition of *riba* (interest), *gharar* (uncertainty), and *maysir* (speculation). In practice, sharia fintech utilizes various contracts (*akad*) recognized in Islamic jurisprudence (*fiqh muamalah*), one of which is the *wakalah bil ujah* contract.

The *wakalah bil ujah* contract essentially refers to an agency agreement in which one party grants authority (*wakalah*) to another party to perform certain legal actions in exchange for compensation (*ujrah*). In the context of Islamic banking and financial institutions, this contract has long been applied, for example, in transfer services, collection services, and investment management. However, the implementation of *wakalah bil ujah* in sharia fintech has its own characteristics, as it is conducted through electronic systems, involves digital platforms, and interacts with various regulations in the fields of technology and data protection.

The use of *wakalah bil ujah* in sharia fintech is commonly found in models such as sharia peer-to-peer (P2P) lending, sharia crowdfunding, and financing aggregator services. In these schemes, the platform provider acts as an agent (*wakil*) that connects funders (lenders) with fund recipients (borrowers) and receives service fees for its facilitation role. Conceptually, this arrangement aligns with the principle of *wakalah bil ujah*, where the platform does not act as a direct lender but rather as an intermediary that earns *ujrah* for managing and channeling funds.

Although conceptually consistent with sharia principles, the implementation of *wakalah bil ujah* in sharia fintech in Indonesia is not free from legal issues. One of the main concerns is legal certainty. Legal certainty is a fundamental element in a rule-of-law state (*rechtstaat*), as it ensures that every legal action has a clear normative basis, is not open to multiple interpretations, and provides protection for the rights and obligations of the parties involved. In the context of sharia fintech, legal certainty encompasses the clarity of the legal status of contracts, the responsibilities of the parties, dispute resolution mechanisms, and regulatory oversight.

The legal framework governing sharia fintech in Indonesia currently derives from various regulations, including OJK regulations on information technology-based lending services, consumer protection regulations in the financial services sector, and fatwas issued by the National Sharia Council of the Indonesian Ulema Council (DSN-MUI), which govern compliance with sharia principles. However, the cross-sectoral nature of fintech—situated at

the intersection of civil law, banking law, information technology law, and consumer protection law—often creates normative gaps and regulatory disharmony.

In practice, issues frequently arise, such as unclear clauses in electronic contracts, lack of transparency regarding costs and risks, and the potential misuse of users' personal data. These issues become more complex when associated with the characteristics of *wakalah bil ujah*, which positions the platform provider as an agent. This raises an important question: to what extent is the platform provider legally responsible in cases of default or failure to pay by the fund recipient? Can the provider rely solely on its status as an “agent,” or does it bear additional responsibilities as an electronic system operator?

This is where consumer protection becomes highly relevant. Within the Indonesian legal system, consumer protection in the financial services sector is specifically regulated through OJK regulations, in addition to general provisions under consumer protection law. Principles such as transparency, fair treatment, system reliability, and effective complaint resolution must be integral to the operation of sharia fintech. However, in practice, consumers—whether as funders or fund recipients—are often in a weaker position in terms of information and bargaining power.

The advancement of digital technology also presents new challenges in legal evidence and enforcement. *Wakalah bil ujah* contracts in fintech are executed electronically through digital contracts (e-contracts). Although the validity and evidentiary strength of electronic contracts have been recognized under Indonesian law, their implementation in actual disputes often encounters challenges, such as identity authentication, the validity of electronic signatures, and system security. These issues may affect legal certainty for the parties involved.

Furthermore, from the perspective of Islamic law, the implementation of *wakalah bil ujah* in fintech must also consider the principles of *maqashid al-shariah*, namely the objectives of Islamic law, which include the protection of religion, life, intellect, lineage, and property. Sharia fintech should not only fulfill formal compliance with contractual principles but also ensure public benefit (*maslahah*) and prevent harm (*mafsadah*) to its users. If, in practice, it leads to injustice or exploitation, then the essence of sharia itself becomes questionable.

In the context of Indonesia as the country with the largest Muslim population in the world, the development of sharia fintech holds significant strategic potential. The government and regulators promote the strengthening of the sharia economy as part of the national development agenda. However, rapid growth without being accompanied by a strong legal framework and effective consumer protection mechanisms risks creating a crisis of trust. Trust, after all, is the primary capital in the financial industry, especially within a sharia-based system that emphasizes the values of trustworthiness (*amanah*) and justice.

Therefore, the study of the implementation of *wakalah bil ujah* contracts in sharia fintech services in Indonesia is highly relevant and timely. This research is important to assess whether current practices have provided adequate legal certainty and effective consumer protection. The analysis is conducted not only at a normative level but also by considering practical implementation, including the pattern of legal relationships between platform providers, funders, and fund recipients.

Furthermore, this research is expected to contribute conceptually to the development of Islamic economic law in the digital era. Digital transformation requires the reinterpretation and adaptation of classical *fiqh* concepts into modern contexts without losing their essential principles. The *wakalah bil ujah* contract, which was originally known in conventional transactions, must now be implemented within an ecosystem driven by algorithms, big data, and system automation. This challenge requires an interdisciplinary approach involving law, technology, and Islamic economics.

In conclusion, this introduction emphasizes that the implementation of *wakalah bil ujah* in sharia fintech in Indonesia is a complex and multidimensional issue. It involves not only

formal sharia compliance but also closely relates to legal certainty within the national legal system and the effectiveness of consumer protection. These three aspects—sharia principles, legal certainty, and consumer protection—must operate harmoniously for sharia fintech to truly become an instrument of economic empowerment for the Muslim community, rather than merely a religious label within the digital financial system.

Based on the above discussion, this study aims to examine in depth how *wakalah bil ujah* is implemented in sharia fintech services in Indonesia, to what extent existing regulations provide legal certainty, and how consumer protection mechanisms are applied in practice. Through a comprehensive approach, this research is expected to offer constructive recommendations for regulators, industry players, and other stakeholders in strengthening a fair, transparent, and sustainable governance framework for sharia fintech.

Formulation of the Problem

Based on the background above, the research problems in this study are formulated as follows:

1. How is the legal construction and implementation of the *wakalah bil ujah* contract in Islamic financial technology (fintech) services in Indonesia?
2. Has the implementation of the *wakalah bil ujah* contract in Islamic financial technology (fintech) services in Indonesia fulfilled the principles of legal certainty and consumer protection?

LITERATURE REVIEW

Definition of *Akad* (Contract)

a. Etymological Definition of *Akad*

Linguistically (etymologically), the term *akad* originates from the Arabic word *al-‘aqd* (العقد), which means a bond, knot, reinforcement, or agreement. Literally, this term describes the act of binding something that was previously separate into a firm and unified whole. In a linguistic context, the word *‘aqada* is used to illustrate the act of tying a rope, strengthening a knot, or affirming a commitment. Thus, the fundamental meaning of *akad* implies the existence of a binding relationship that cannot simply be dissolved without consequences.

The notion of a “bond” carries a profound philosophical message. It does not merely indicate a relationship between two or more parties, but also reflects commitment, sincerity, and responsibility within that relationship. In classical Arabic usage, the term is also employed to denote firmness of intention or strong determination (*‘aqd al-‘azm*), which refers to the act of resolutely making a firm decision. From this perspective, an *akad* is not merely an ordinary statement, but a commitment established with full awareness and intention.

In the Qur’an, this term holds significant importance. Allah SWT states in Surah Al-Ma’idah verse 1: “O you who believe, fulfill all contracts (*awfu bil ‘uqud*).”

This verse indicates that the fulfillment of contracts is a direct command from Allah SWT to the believers. The command is not limited to specific types of contracts, but rather encompasses all forms of agreements that are valid and recognized under Islamic law (*sharia*). Therefore, both etymologically and normatively, *akad* is not only related to horizontal relationships among human beings, but also possesses a vertical dimension in the form of accountability to Allah SWT.

This etymological meaning emphasizes that *akad* contains elements of strength and firmness. A knot that has been tied must not be untied carelessly. This analogy illustrates how seriously Islam regards commitments that have been made. Violating an *akad* is not merely a social breach, but also a moral and spiritual transgression.

b. Terminological Definition of Contracts According to Islamic Jurisprudence Scholars

Terminologically, Islamic jurisprudence scholars define a contract as the meeting between the consent and acceptance of the contract, which gives rise to legal consequences for the object of the contract in accordance with sharia law. The consent is the statement of intent from one party to enter into a contract, while the acceptance of the contract is the statement of acceptance from the other party. The meeting of these two statements creates a binding legal relationship.

This definition demonstrates that a contract is not merely an informal agreement or mere good intentions. It is a legal act (*tasharruf*) that has legal consequences recognized and protected by sharia. Therefore, every contract must fulfill certain pillars and conditions to be valid and binding.

The majority of scholars state that the pillars of a contract consist of:

- The contracting parties (*al-'aqidain*),
- The object of the contract (*ma'qud 'alaih*),
- The consent and acceptance (*shighat al-'aqd*).

Meanwhile, the requirements include the legal capacity of the parties, clarity of the object, absence of coercion, and absence of prohibited elements such as usury, *gharar* (unclearness), and *maisir* (excessive speculation).

Thus, from a terminological perspective, a contract is a systematic and structured legal instrument. It is not only based on the principle of freedom of contract but is also bound by sharia values aimed at maintaining justice and public welfare.

c. Pillars and Conditions of the Contract

The pillars of a contract are the essential elements that must be present in a contract. Without any of the pillars, the contract is invalid or null and void. In general, the pillars of a contract consist of four main elements: *al-'aqidan* (the parties), *ma'qud 'alaih* (the object of the contract), *sighat* (the consent and acceptance), and the purpose of the contract (*maqshud al-'aqd*). These four pillars are interrelated and form a unified whole in realizing a valid contract according to sharia.

First, *al-'aqidan*, or the parties entering into the contract. The parties are the legal subjects who bind themselves to an agreement. From a *fiqh* perspective, a person can be a party to a contract if they possess legal capacity (*ahliyyah*). This legal capacity essentially encompasses a person's ability to accept rights and fulfill obligations. Scholars have determined that a person is considered competent to enter into a contract if they have reached puberty, are of sound mind, and are not in a condition that precludes legal action. Pupilhood indicates that a person has reached adulthood according to sharia law, while being sound mind means possessing the ability to reason and distinguish between right and wrong. Conditions that preclude legal action include, for example, a person under guardianship due to mental illness or someone declared bankrupt, restricting their rights to manage their assets.

This legal capacity is crucial because a contract is essentially a statement of will (*iradah*) that carries legal consequences. If a person is not legally competent, their will is not considered complete, and the contract they enter into is potentially void or at least requires the approval of a guardian. In the context of legal protection, provisions regarding capacity aim to prevent exploitation of vulnerable parties, such as minors or those unable to manage their own assets.

Second, there is the *ma'qud 'alaih*, or object of the contract. The object of the contract is the subject of the agreement, from which the rights and obligations of the parties arise. Scholars require that the object of the contract be clear, lawful, possess utility, and be

transferable. Clarity of the object includes specifications, quantity, quality, and other characteristics to avoid future disputes. Unclear objects can contain elements of gharar (uncertainty), which is prohibited by Sharia because it has the potential to harm one of the parties.

In addition to being clear, the object of the contract must also be lawful according to Sharia. Prohibited goods or services, such as alcohol, dead animals, or transactions involving usury, cannot be considered the object of a valid contract. This demonstrates that Islamic law considers not only the agreement between the parties but also the substance of what is being agreed upon. In other words, freedom of contract in Islam is limited by moral values and Sharia law.

The next requirement is that the object must have utility value and be transferable. Items that lack Sharia-recognized utility or cannot be delivered in real time cannot be the object of a contract. For example, selling a bird that is still flying freely without certainty of its delivery is considered a practice that contains gharar (gharar). Thus, provisions regarding the object of the contract aim to ensure certainty and fairness in transactions.

Third, *sighat*, or *ijab* and *qabul* (consent). *Sighat* is a form of expression of the will of the parties, which is the essence of the contract. *Ijab* is a statement of offer from one party, while The acceptance (*qabul*) is a statement of acceptance from the other party. These two statements must be consistent (*tawafuq*) and demonstrate a clear intention to bind oneself. If there is a discrepancy between the *ijab* and *qabul*, the contract is considered invalid due to the lack of agreement.

In the development of *muamalah* practices, *sighat* does not always have to be expressed verbally; it can also be expressed in writing, through gestures, or even through actions traditionally understood as a form of agreement. The most important principle is the willingness (*ridha*) of the parties. This willingness forms the moral foundation of the contract, as emphasized in the Qur'an that transactions must be carried out based on mutual consent between the parties. Thus, *sighat* is not merely a formality, but a manifestation of an agreement born of free will without coercion.

Fourth, the purpose of the contract, or *maqshud al-'aqd*. Every contract must have a lawful purpose and not conflict with sharia principles. This purpose is the intended legal intent or result achieved through the contract. If the purpose of a contract contains prohibited elements, such as *riba* (exploitative interest in debt transactions), *gharar* (unclear risk), or *maisir* (speculation or gambling), then the contract is invalid even if the other pillars are met.

The emphasis on the purpose of a contract demonstrates that Islamic law examines not only the outward appearance of an agreement, but also its substance and impact. A contract that appears formally valid can be invalidated if its purpose conflicts with the values of justice and public interest. Therefore, *maqasid al-Shariah*, or the objectives of sharia, is a crucial basis for assessing the validity of a contract.

By fulfilling these pillars and conditions of a contract, an agreement will be legally binding and recognized by sharia. These four pillars work integrally to ensure that the contract is entered into by competent parties, for a clear and lawful object, through a valid expression of will, and with a purpose that aligns with sharia principles. This concept reflects the balance between freedom of contract and moral responsibility in Islamic law. Through the regulation of harmony and contract terms, sharia seeks to create a transaction system that is fair, transparent and brings benefits to all parties involved.

The conditions for the validity of a contract are an important element that determines whether an agreement in Islamic law can be considered valid and has sharia binding force. If the pillars of the contract—namely the parties (*'aqidain*), the object of the contract (*ma'qud 'alaih*), *sighat* (*ijab* and *qabul*), and the purpose of the contract—have been fulfilled, then

the next step is to ensure that the contract meets the legal requirements. These legal requirements function as a moral and legal filter so that the contract is not only formally valid, but also fair, transparent and in accordance with sharia principles. The conditions for the validity of the contract include: there is no element of coercion (ikrah), it does not contain fraud (tadlis), it does not contain excessive ambiguity (gharar fahisy), and it does not conflict with the texts or principles of sharia. If one of these conditions is not met, then the contract can be categorized as fasid (damaged) or even void (batil).

First, there is no element of coercion (ikrah). In Islamic law, the consent (ridha) of the parties is a fundamental principle in every contract. This principle is in line with the word of Allah in QS. An-Nisa verse 29 which emphasizes that transactions must be carried out on the basis of mutual consent (an taradhin minkum). Ikrah occurs when one of the parties is forced to carry out a contract under pressure, threats or intimidation so that his will is not free. This coercion can be physical or psychological, such as threats of violence, pressure from office, or threats of losing certain rights. In such conditions, the contract loses the element of consent which is the spirit of the agreement in Islam.

The scholars differentiate between ikrah mulji' (severe coercion that threatens the safety of life or limbs) and ikrah ghairu mulji' (light coercion that does not threaten the safety of life). In the case of a mulji' (willful consent), the majority of scholars believe that the contract is invalid due to the complete lack of consent. However, regarding the ghairu mulji' (willful consent), there are differing opinions, but in general it is still considered to violate the principle of freedom of contract. Therefore, freedom of will is an essential requirement in ensuring the validity of a contract.

Second, it must not contain any element of fraud (tadlis). Tadlis is the act of concealing defects or providing false information with the aim of deceiving the other party in the contract. This fraud can occur in various forms, such as concealing damage to goods, falsifying product quality, providing false information regarding market prices, or manipulating data in financial transactions. From a Sharia perspective, tadlis is prohibited because it contradicts the principles of honesty (shidq) and openness (transparency), which are the foundation of muamalah (transactions).

The Prophet Muhammad (peace be upon him) strictly forbade fraud in buying and selling. A hadith states that anyone who cheats is not part of the Prophet's family. This prohibition demonstrates how seriously Islam takes maintaining transaction integrity. If a contract is proven to contain elements of tadlis, the injured party has the right to annul the contract through the khiyar mechanism, which is the right to choose whether to continue or cancel the transaction. Thus, the presence of elements of fraud can render the contract defective and potentially invalid.

Third, it must not contain excessive ambiguity (gharar fahisy). Gharar linguistically means uncertainty or speculation. In the context of a contract, gharar refers to uncertainty regarding the object, price, time of delivery, or other important elements that could give rise to future disputes. Islam prohibits excessive gharar (fahisy), which is significant uncertainty that has the potential to harm one of the parties. This prohibition aims to prevent speculative practices and unilaterally detrimental transactions.

For example, selling goods whose whereabouts are uncertain, such as selling fish still at sea without certainty of quantity and quality, falls under the category of gharar. Similarly, in a modern context, contracts that do not specify the rights and obligations of the parties can be categorized as containing gharar. However, scholars distinguish between gharar fahisy and gharar yasir (mild uncertainty). Gharar yasir, which is difficult to avoid in everyday practice, is tolerated as long as it does not cause substantial harm. Therefore, the benchmark is the degree of uncertainty and its impact on the fairness of the transaction.

Fourth, it must not conflict with the texts or principles of Sharia. This condition emphasizes that the content and purpose of the contract must not violate the provisions of the Koran, hadith, or general principles of sharia such as justice ('adl), benefit (maslahah), and the prohibition of usury, maisir, and gharar. A contract that substantially contains elements of usury, for example, even though it meets the pillars and other formal requirements, is still considered void because it conflicts with the text which expressly prohibits usury. Likewise, contracts that aim to carry out haram acts, such as buying and selling prohibited goods, cannot be justified in Islamic law.

This principle shows that freedom of contract in Islam is not absolute freedom, but rather freedom that is limited by sharia norms. The parties may draft clauses according to their needs, but must not violate the limits set by Allah and His Messenger. Thus, this requirement is a safeguard so that the contract is not only procedurally valid, but also moral and in accordance with Islamic values.

If any of these valid conditions are not met, the contract can be categorized as fasid (invalid) or batil (void). The difference between fasid and batil lies in the degree of defect. A batil contract is a contract that is legally void from the outset because it violates the pillars or directly contradicts the text, thus having no legal consequences. Meanwhile, a fasid contract is a contract that essentially fulfills the pillars but contains defects in certain conditions, so it can still be corrected or canceled by the aggrieved party.

Thus, the valid conditions of a contract play a strategic role in maintaining the fairness, certainty, and integrity of transactions under Islamic law. These conditions ensure that the contract is based on willingness, honesty, clarity, and compliance with sharia principles. Without these conditions, the contract not only loses its legal legitimacy but also has the potential to cause injustice and harm to the parties. Therefore, understanding and applying the valid conditions of a contract is crucial in the practice of muamalah, both in simple transactions and in modern sharia-based financial systems.

d. Principles of Contracts in Islam

Contracts in Islamic law are the primary foundation of every legal relationship involving two or more parties, whether in the fields of muamalah (muamalah), business, finance, or social affairs. From a fiqh perspective, a contract is not simply a meeting of consent and acceptance that produces legal consequences, but also reflects ethical and spiritual values derived from the teachings of the Qur'an and Sunnah. Therefore, the implementation of contracts in Islam emphasizes not only the legal-formal aspects but also the moral dimension and social justice. Scholars from various schools of thought agree that the validity of a contract is not solely determined by the fulfillment of the pillars and principles. The principle of justice ('adalah) is not only based on the law, but also on its compliance with the basic principles of sharia. These principles serve as guidelines to ensure that contracts do not deviate from the objectives of sharia (maqasid al-syariah), namely safeguarding religion, life, intellect, descendants, and property.

The following are some fundamental principles that form the basis of every contract according to Islamic law.

1. The Principle of Justice ('Adalah)

The principle of justice ('adalah) is a primary value in all aspects of Islamic teachings, including the implementation of contracts. Justice means placing everything in its proper place and giving each party its due rights proportionally. In the context of contracts, justice demands that no party be disadvantaged, exploited, or treated unequally. Every agreement must provide fair benefits to all parties in accordance with their contributions and agreements.

The Quran repeatedly emphasizes the importance of upholding justice in all matters. Allah commands believers to be just, even towards themselves or those they dislike. In contract practice, this principle is reflected in the prohibition of practices that involve elements of fraud, coercion, or excessive profit-making. For example, in a sale and purchase transaction, the price must be agreed upon fairly and must not be manipulated in a way that is detrimental to the buyer or seller.

Fairness is also related to information transparency. A party who knows the condition of the object of the contract is obliged to explain it honestly to the other party. Hiding defects in the goods or providing misleading information contradicts the principle of 'adalah.' Thus, fairness in contracts is not merely a formality, but a substance that must be reflected in the process and outcome of the agreement.

2. The Principle of Willingness (An-Taradin Minkum)

The principle of willfulness, or an-taradin minkum, emphasizes that every contract must be based on the free consent of the parties without coercion. This principle stems from Allah's words in Surah An-Nisa, verse 29, which state that "the property of one another is not to be consumed unjustly, except by means of mutual consent between you." This verse provides the normative basis for the validity of a transaction.

Willingness means the sincere will and full awareness of the parties when entering into a contract. If an agreement is made under duress, threats, or manipulation, the contract can be considered legally invalid. In Islamic jurisprudence, this condition is referred to as ikrah (coercion), which can invalidate or at least reduce the validity of the contract.

Furthermore, the principle of willingness also requires clear information before an agreement is made. Valid willingness must be based on adequate knowledge of the object of the contract, their rights and obligations, and the resulting legal consequences. If one party does not clearly understand the contents of the agreement, their willingness becomes questionable. Therefore, transparency and good communication are integral to this principle.

In the modern context, the principle of an-taradin minkum is relevant in digital contracts, Islamic banking, and online transactions. Even though agreements are made electronically, the essence of willingly agreeing must still be maintained, namely clear agreement and the absence of deception or coercion.

3. The Principle of Trustworthiness and Honesty

Trustworthiness and honesty are moral values highly emphasized in Islam. In every contract, the parties are required to uphold their commitments and fulfill their obligations according to the agreement. Amanah (trustworthiness) means being trustworthy and responsible for what has been promised, while honesty means conveying information accurately and without manipulation.

The Prophet Muhammad (peace be upon him) was known as a highly trustworthy figure (al-amin), even before he was appointed a prophet. His exemplary conduct in business demonstrates that moral integrity is the foundation of blessed transactions. A hadith states that honest and trustworthy traders will be with the prophets, the righteous, and the martyrs on the Day of Judgment. This demonstrates the high status of those who uphold amanah (trustworthiness) in transactions.

In the practice of contracts, the principle of amanah (trustworthiness) requires that each party fulfill their promised obligations. If someone promises to deliver goods of a certain quality by a specified time, they are obligated to fulfill the agreed upon terms.

Violating amanah (trustworthiness) not only impacts legal aspects but also moral and spiritual responsibilities.

Honesty is also related to the recording of transactions. Islam recommends that debt and receivable transactions be recorded in writing to avoid future disputes. This registration is not just an administrative formality, but a form of moral responsibility so that the rights and obligations of the parties are protected legally. dil.

4. Prohibition of Riba, Gharar, and Maisir

One of the distinctive characteristics of Islamic contracts is the prohibition of riba, gharar, and maisir. These three elements are the main differences between Sharia contracts and conventional contracts, which do not always consider moral and spiritual aspects.

Riba is generally defined as an additional requirement in a lending or borrowing transaction or an unequal exchange of goods. Islam prohibits riba because it is considered to cause injustice and exploitation, especially for the economically weak. In Sharia contracts, profits must be obtained through fair mechanisms, such as profit sharing or legitimate sales, not through fixed interest without considering the risks.

Gharar refers to excessive ambiguity or uncertainty in a contract. Transactions whose object is unclear, cannot be delivered, or whose nature and amount are unknown fall into the gharar category. This prohibition aims to prevent disputes and protect the parties from unreasonable risks. By clarifying the object and terms of the contract, the potential for disputes can be minimized.

Maisir means gambling or speculation that relies on chance. In contracts containing elements of maisir, one party's profit is usually derived from the loss of the other party without any real productive activity. Islam prohibits this practice because it contradicts the principles of justice and productivity.

By avoiding usury, gharar, and maisir, Sharia contracts aim to create a healthy, just, and prosperous economic system. These principles ensure that every transaction has a clear basis, tangible benefits, and proportionately shared risks.

Concept and Basis of the Wakalah Bil Ujrah Contract

a. Definition of Wakalah

Wakalah is a form of contract in Islamic law that plays an important role in the muamalah (transactional) life of Muslims. Terminologically, wakalah is a contract delegating power from one party to another to perform a specific legal act that can be delegated. The party granting the power is called the muwakkil, while the party receiving the power is called the wakil. Through this contract, the representative acts on behalf of and for the benefit of the muwakkil within the limits of the granted power. Therefore, all actions taken by the representative within the scope of the authorized power will have legal consequences for the muwakkil.

Etymologically, the word wakalah comes from the Arabic al-wakl or at-tawkil, which means to hand over, delegate, or entrust a matter to another person. This root word implies trust and dependence on another party to complete a matter. In the Quran, the term, similar in root to wakalah, is often used in the context of handing over matters to Allah SWT as Al-Wakil (The All-Sustainer). This demonstrates that the concept of wakalah has a very strong dimension of trust, both in the vertical relationship between humans and God and in horizontal relationships among humans.

From a fiqh perspective, scholars define wakalah as a contract that grants someone the authority to replace the grantor in an action permitted by sharia. These actions are usually related to muamalah matters, such as buying and selling, renting, paying debts, collecting

receivables, processing documents, and representing in the litigation process. However, not all actions can be represented. Actions that are personal in nature and require direct implementation by certain individuals, such as mahdhah worship (for example prayer), basically cannot be represented, unless there is a special argument that allows it, such as in the implementation of the Hajj for people who are physically unable.

The legal basis for wakalah in Islam can be found in the Al-Qur'an, hadith and ijma' ulama. One of the propositions of the Qur'an that is often used as a reference is QS. Al-Kahfi verse 19, which tells about the young men of Ashabul Kahfi who sent one of them to the city to buy food with silver coins. This paragraph shows the practice of representation in transaction matters. Apart from that, there are also various hadiths of the Prophet Muhammad SAW which emphasize the permissibility of wakalah. In several narrations, the Prophet Muhammad (peace be upon him) delegated his companions to purchase sacrificial animals, receive zakat payments, and handle certain matters on his behalf. This practice demonstrates that wakalah was a recognized and practiced contract during the prophetic era.

Scholars of various schools of thought agree on the permissibility of wakalah due to the human need (hajah) for a representative mechanism. In social and economic life, not everyone is able or has the time to handle all their affairs themselves. Therefore, sharia facilitates this. Through a wakalah contract, a person can appoint another trusted person to act on their behalf. This permission also aligns with the principle of ease (taysir) in Islam, which aims to eliminate difficulties and provide practical solutions in social life.

To be valid under Islamic law, a wakalah contract must meet certain pillars and requirements. The pillars of a wakalah generally include the parties to the contract (muwakkil and wakil), the object being represented, and the ijab and qabul (consent) as a form of agreement. The muwakkil must be legally competent, that is, mature, sane, and possess authority over the object being represented. The deputy must also possess the skills to carry out the assigned task. The object of the wakalah must be a clear, known, and permissible act according to sharia. The ijab and qabul can be made verbally, in writing, or through understandable signals, in accordance with developments in modern legal practice.

In carrying out its mandate, the deputy is obliged to carry out the mandate in accordance with the instructions and limitations given by the muwakkil. He or she may not exceed the limits of his or her authority or act outside the agreed-upon provisions. If the representative acts in accordance with the mandate given, the muwakkil is responsible for all legal consequences of their actions. However, if the representative exceeds their authority or commits negligence that results in losses, they can be held accountable for those losses. This principle emphasizes that wakalah is built on trust (amanah) and moral and legal responsibility.

In contemporary practice, wakalah has become a crucial instrument in Islamic financial institutions. Many Islamic banking products and services utilize the wakalah contract as the basis for their operations. For example, in opening letters of credit (L/C), fund transfers, payment processing, and even managing certain investments, the bank acts as the client's representative to carry out certain transactions. Furthermore, in the Islamic insurance (takaful) industry, the wakalah contract is often used in the management of participant funds, where the company acts as the agent managing the funds in exchange for a fee (ujrah).

The development of Islamic financial technology (fintech) is also expanding the application of wakalah. Sharia-based financing platforms often use the wakalah contract to represent investors in channeling funds to recipients. In this context, the platform company acts as an agent connecting the parties and ensuring that the transaction process is conducted in accordance with Sharia principles. Thus, wakalah acts as a legal bridge, enabling efficient transactions without compromising the principles of fairness and transparency.

Furthermore, wakalah has also developed into wakalah bil ujah, a wakalah contract in which the agent is compensated for the services rendered. This concept is highly relevant in the modern economic system, where professional services such as notaries, lawyers, consultants, and marketing agents operate under the authority of the client and receive an honorarium for their services. As long as the compensation is clearly agreed upon and does not contain elements of usury, gharar, or fraud, the wakalah bil ujah contract is permissible under Sharia.

Thus, wakalah is a flexible and adaptable contract. Its basic principles, based on trust, responsibility, and clarity of rights and obligations, make it relevant in various sectors of life, particularly in the economic and financial spheres. The existence of wakalah demonstrates that Islamic law has mechanisms capable of addressing the social and economic needs of society, both in traditional and modern contexts. Therefore, a deep understanding of wakalah is very important, especially in developing muamalah practices that are in accordance with sharia principles and the demands of global development.

b. Pillars and Conditions for Wakalah Bil Ujah

The pillars of wakalah bil ujah include four main elements, namely muwakkil (giver of power), representative (recipient of power), object of power, and ijab qabul. These four pillars are the basic elements that must be present so that a contract can be considered legally formed. Without fulfilling one of these pillars, the wakalah bil ujah contract will be imperfect and may even be declared void.

The first pillar is muwakkil, namely the party who gives power or authority to another party to carry out a legal act on his or her behalf. Muwakkil must be someone who has the legal skills (ahliyah al-ada') to carry out the actions represented. This means that he must be mature, rational, and not be in a situation that hinders his freedom of action, such as being under duress or being unconscious. This legal capacity is important because wakalah is essentially the delegation of the right to act. A person cannot delegate something that is not legally valid for him. can be carried out. Therefore, if the muwakkil lacks authority over an object or action, the delegation is invalid.

In addition to legal capacity, the muwakkil must also possess ownership or authority over the object being delegated. For example, in a sale and purchase transaction, a person can only delegate the sale of goods that truly belong to them or are legally under their control. If someone delegates the sale of another person's goods without permission, the wakalah lacks a strong legal basis and could give rise to disputes.

The second pillar is the representative, namely the party who receives power from the muwakkil to carry out certain tasks or actions. The representative must also meet the requirements of legal capacity. They must be of sound mind and able to understand the consequences of the assigned task. In some scholars' opinions, the representative is not required to be mature in all circumstances, as long as they are capable of understanding and carrying out the entrusted task. However, in contemporary practice, especially in financial institutions, the representative is generally a legal entity or institution with an organizational structure and professional responsibilities. The representative's position in a wakalah bil ujah contract is strategic because he or she acts on behalf of the muwakkil. The actions taken by the representative within the limits of the granted authority are legally binding on the muwakkil. Therefore, the representative is obligated to carry out the mandate with full responsibility, honesty, and professionalism. If the representative exceeds the limits of his or her authority or acts negligently, resulting in losses, he or she can be held accountable. In the context of wakalah bil ujah, because the representative receives compensation, the level of responsibility is even greater. He or she acts not merely as a volunteer, but as a professional receiving compensation for their services.

The third pillar is the object of the power (al-muwakkal fih), namely the action or matter being delegated. This object must be clear and specific to avoid uncertainty (gharar). In muamalah jurisprudence, the object of the wakalah must be something that can be delegated according to sharia. Not all actions can be delegated. Acts of worship, such as prayer and fasting, generally cannot be delegated because they are personal and require the intention and direct implementation of the individual concerned. However, there are exceptions in some forms of worship, such as the Hajj, where under certain circumstances the performance of the act can be delegated (badal haji).

In the realm of muamalah (religious transactions), most transactions and legal actions can be delegated, such as sales and purchases, leases, debt payments, debt collection, document management, and so on. The object of the power of attorney must be clearly understood by both parties, including the type of work, the limits of authority, and the duration. This clarity is crucial to avoid future disputes. If the object of the power of attorney is vague or too general without limitations, it can lead to disputes about the scope of the representative's responsibilities.

The fourth pillar is the ijab qabul (consent), which is the statement of intent by both parties to enter into a wakalah contract. The ijab is the statement of transfer of power by the muwakkil, while the qabul is the statement of acceptance of the power of attorney by the representative. The ijab qabul can be made verbally, in writing, or through understandable gestures, as long as it indicates a clear agreement. In modern practice, the ijab qabul is often expressed in a written contract or agreement signed by both parties. Even in a digital system, consent can be carried out through electronic consent as long as it meets the principles of clarity and consent.

Apart from harmony, there are also legal requirements for wakalah bil ujah that must be fulfilled so that the contract is in accordance with sharia principles. The first condition is that the object represented must be something that can be represented. This means that the object is not an act that must be carried out personally by the party concerned. Apart from that, the object must be a permissible act (mubah) and not contain elements of haraam. Wakalah for committing acts that are prohibited by sharia, such as fraud or usury transactions, is certainly not legal and has no legal force from an Islamic perspective.

The second condition is that the contract must not conflict with sharia principles. This principle includes the prohibition of usury, gharar, maysir (excessive speculation), as well as elements of injustice and fraud. In wakalah bil ujah, even though there are rewards, these rewards must not contain elements of exploitation or injustice. For example, ujah must not be determined unjustly or disproportionate to the services provided. The contract must also be based on the willingness of both parties without any coercion.

The third condition is that ujah must be clearly defined. Because wakalah bil ujah is a contract that is accompanied by compensation, the amount of ujah must be known. The amount of the ujah is agreed upon at the outset of the contract. This clarity includes the amount, method of payment, and timing of payment. If the ujah is not clearly specified, the contract may contain elements of gharar (gharar), which is prohibited by Sharia. Scholars emphasize that the compensation in muamalah contracts must be transparent to avoid disputes.

The ujah can be determined in the form of a fixed nominal amount, a certain percentage of the proceeds, or another agreed-upon method, as long as it does not conflict with the principles of justice and transparency. In Islamic financial institutions, the ujah is often set as a fee that is transparently communicated to the customer. This transparency is part of the principle of consumer protection in the Islamic economic system.

With the fulfillment of these pillars and conditions, the wakalah bil ujah contract is valid and legally binding on the parties. This contract reflects the principle of mutual

assistance (ta'awun) as well as professionalism in muamalah. The muwakkil (the buyer) is facilitated in managing his interests through the intermediary of the representative, while the representative receives legitimate compensation for the services rendered.

Sharia Fintech: Concept and Development in Indonesia

a. Definition and Characteristics of Fintech

Financial technology, or fintech as it's more commonly known, is a form of innovation in the financial services sector that utilizes advances in digital technology to improve the quality, efficiency, and reach of financial services to the public. Conceptually, fintech emerged from the intersection of the financial industry and increasingly sophisticated information technology developments. While in the past, financial services were synonymous with manual processes, face-to-face meetings at bank offices, and lengthy and bureaucratic administrative procedures, the presence of fintech has shifted this paradigm to become more practical, faster, more transparent, and more electronically based.

In a general perspective, fintech can be understood as the use of digital technology to create, transform, or improve financial services and products. The technologies used in fintech include web-based applications, mobile apps, cloud computing, artificial intelligence, big data analytics, and blockchain technology. The use of these technologies enables financial transactions to be conducted online, without being limited by space and time. Thus, fintech is not merely the digitalization of conventional financial services, but also presents new business models that are more adaptive to the needs of modern society.

In Indonesia, fintech development has experienced rapid growth over the past decade. Driving factors include increasing internet penetration and smartphone use, the growth of the middle class, and the public's need for easier and faster access to financing. Furthermore, the still-limited financial inclusion in some regions presents a significant opportunity for fintech to reach communities previously underserved by conventional financial institutions. The government and relevant authorities are paying serious attention to the development of this industry through regulation and supervision to maintain financial system stability and protect consumers.

One fintech model that is growing rapidly in Indonesia is peer-to-peer lending (P2P lending). This model brings together lenders and borrowers through a digital platform without the intermediary of traditional financial institutions like banks. In this system, the platform acts as a facilitator, connecting the two parties, performing data verification, and providing payment systems and risk management. The main advantages of P2P lending lie in the ease of the loan application process, relatively simpler requirements, and faster disbursement times compared to conventional banking procedures.

In addition to P2P lending, the payment gateway model is also an important part of the fintech ecosystem in Indonesia. A payment gateway is a system that enables secure and efficient electronic payment processing between consumers and businesses. This service facilitates various payment methods, such as debit cards, credit cards, bank transfers, and digital wallets. With a payment gateway, e-commerce transactions can proceed smoothly, as this system guarantees data security and real-time payment authorization.

Another model is crowdfunding, a mechanism for raising funds from the public to support a specific project or business through a digital platform. Crowdfunding can be used for various purposes, such as funding startups, social activities, creative projects, and investment-based financing. The main characteristic of crowdfunding is collective participation, from many individuals with relatively small financial contributions, but cumulatively capable of generating significant financing. This model reflects the spirit of collaboration and democratization of access to funding in the digital era.

The development of fintech in Indonesia is also marked by the increasing use of electronic wallets, or e-wallets. E-wallets are applications that allow users to store funds electronically and conduct various cashless transactions, such as bill payments, mobile phone credit purchases, online shopping, and payments at physical stores through QR code scanning. The practicality and ease of use of e-wallets are driving a shift in consumer behavior from cash to digital transactions. Furthermore, various promotional programs and incentives offered by e-wallet providers are accelerating the adoption of this technology.

Characteristically, fintech has several key features that distinguish it from conventional financial services. First, it is based on digital technology and the internet. The entire service process, from registration and verification to transactions and reporting, is conducted electronically through an integrated system. Second, it prioritizes efficiency and speed. System automation and the use of algorithms allow processes that previously took days to be completed in minutes. Third, it has a broad reach. By leveraging the internet, fintech can reach users in various regions, including remote areas difficult to reach by bank branches.

Fourth, fintech is innovative and adaptive to market needs. Its business model is relatively flexible and quickly adapts to changes in consumer behavior. Fifth, it leverages data as a key asset. The use of big data and algorithmic analysis enables fintech providers to more accurately assess credit risk, personalize services, and develop products. Sixth, it is user-experience oriented. Application interfaces are designed to be simple and easy to use to ensure accessibility for all levels of society.

Despite offering many conveniences, fintech also poses challenges and risks, such as the potential for misuse of personal data, the risk of default in P2P lending, and cybersecurity threats. Therefore, regulation and supervision are crucial aspects in ensuring that fintech development remains in line with the principles of prudence and consumer protection. In Indonesia, fintech is overseen by the competent authorities to ensure the legality, transparency, and security of its operations.

Thus, fintech can be understood as a manifestation of digital transformation in the financial sector, bringing about significant changes in how people access and use financial services. Its rapid development in Indonesia demonstrates that fintech is not merely a temporary trend, but rather part of the evolution of the modern financial system, which continues to evolve in line with technological dynamics and societal needs.

In the context of Sharia, the development of financial technology (fintech) is not only understood as an innovation in the modern financial system, but also as part of muamalah activities that must comply with the principles of Islamic law. Every transaction conducted through a digital platform, whether in the form of financing, payments, investments, or fundraising, remains within the framework of Sharia provisions, as formulated by scholars from classical to contemporary times. Therefore, Sharia-based fintech operations must avoid elements expressly prohibited in Islam, namely usury (*riba*), *gharar* (*gharar*), *maisir* (gambling), *tadlis* (violence), and *zalim* (violence). These five elements are not merely theoretical concepts, but fundamental principles that form the basis of ethics and legality in every contract and financial transaction.

First, Sharia fintech must avoid elements of usury (*riba*). *Riba* is an additional or excess amount required in a lending or borrowing transaction or the exchange of goods without a corresponding return according to Sharia law. The prohibition of usury is explicitly stated in the Quran, specifically in Surah Al-Baqarah verses 275–279, which states that Allah permits trade and prohibits usury. In fintech practice, usury can appear in the form of fixed interest rates on loans without considering business risks, or in financing schemes that require the repayment of more than the principal without a valid contract according to Sharia. Therefore, Sharia fintech must use appropriate contracts, such as

murabahah, musyarakah, mudaraba, ijarah, or wakalah bil ujah, which emphasize the principles of fairness, transparency, and risk sharing. Profits in the Sharia system do not come from mere additions to debt, but from real and productive business activities. Thus, Avoiding usury (riba) is a primary requirement for Sharia fintech to remain within the halal (permissible) framework and avoid practices that harm either party.

Second, Sharia fintech must avoid gharar (unclear) principles. Gharar refers to the presence of ambiguity, uncertainty, or excessive speculation in a transaction. In a hadith narrated by Muslim ibn al-Hajjaj in his Sahih, the Prophet Muhammad (peace be upon him) forbade transactions containing gharar. This ambiguity can include an uncertain object of the contract, an unclear price, an ambiguous delivery time, or non-transparent information. In the fintech context, gharar can occur if the platform does not provide complete information regarding investment risks, profit-sharing mechanisms, administrative costs, or the legal consequences of the agreed digital agreement. Therefore, Sharia fintech providers are required to ensure that all terms and conditions are communicated openly, easily understood, and not misleading. Transparency is a crucial principle for avoiding disputes and maintaining trust between users and service providers.

Third, Sharia fintech must also avoid elements of maisir (gambling). Maisir means gambling or any form of transaction based on chance and relying solely on speculation. In Surah Al-Maidah, verse 90 of the Quran, Allah expressly forbids the practice of maisir because it is a satanic act that can incite enmity and hatred among humans. In the world of fintech, maisir can appear in the form of speculative investments without a clear asset base, high-return schemes with non-transparent risks, or business models that resemble digital gambling. Sharia fintech must ensure that every transaction is based on real economic activity with a clear underlying asset or business activity. Profits are derived from legitimate business results, not from speculation or betting on uncontrolled fluctuations. Therefore, the principle of prudence and sound risk management are integral to Sharia fintech operations.

Fourth, the element of tadlis must also be avoided. Tadlis means deception, manipulation, or concealment of defects in a transaction. In a hadith narrated by Muhammad, the Prophet Muhammad (peace be upon him) said, "Whoever cheats is not one of me." This principle emphasizes the importance of honesty in all transactions. In fintech practices, "tadlis" can occur if the provider conceals important information regarding hidden fees, default risks, business partners' track records, or user fund management mechanisms. Digital fraud can also arise through data manipulation, fabricated financial reports, or the misuse of users' personal information. Therefore, Sharia fintech must implement good corporate governance, a transparent audit system, and adequate data protection. Honesty and transparency are not only moral requirements but also prerequisites for valid contracts according to Sharia.

Fifth, Sharia fintech must avoid elements of injustice. "Zalim" means an act that places something out of place or unfairly harms another party. In the context of transactions, injustice can take the form of economic exploitation, imposing conditions that burden one party, or imposing disproportionate fines and penalties. Islam emphasizes the principles of justice ('adl) and balance (tawazun) in every transaction. Therefore, Sharia-compliant fintech must ensure that the relationship between providers and users is equitable, free from coercion, and provides adequate protection for consumers. Dispute resolution mechanisms must also be provided in a fair and transparent manner. By avoiding injustice, Sharia-compliant fintech not only meets legal and formal requirements but also embodies Islamic ethical values that uphold the common good.

Overall, the avoidance of riba (usury), gharar (gharar), maisir (gambling), tadlis (unlawful activity), and zalim (unlawful activity) is the primary foundation of Sharia-compliant fintech operations. These five elements are interconnected and form a

comprehensive ethical framework in Islamic economics. Sharia-compliant fintech must not simply replace interest with margin or fee; it must also ensure that the entire contract structure, operational mechanisms, and business model are fully compliant with Sharia principles. Thus, Sharia fintech can be an alternative financial system that is not only technologically innovative and efficient, but also fair, transparent, and beneficial to all parties involved.

b. Fintech Regulation in Indonesia

Fintech regulation in Indonesia is a crucial part of the country's efforts to create a stable, transparent, and accountable financial system that protects consumer interests. Along with the rapid development of With the advancement of information and communication technology, the financial services sector is also undergoing significant digital transformation. Innovations in technology-based finance, or financial technology (fintech), offer various conveniences, such as faster access to financing, simpler processes, and a broader range of services, even reaching the previously unbanked. However, these conveniences also carry potential risks, including legal aspects, consumer protection, data security, and financial system stability. Therefore, comprehensive regulation and effective oversight are needed.

In Indonesia, oversight of the fintech industry falls under the authority of the Financial Services Authority (OJK). The OJK is an independent institution established under Law Number 21 of 2011 and tasked with regulating and supervising financial services activities in the banking sector, capital markets, and non-bank financial industries, including fintech. In the fintech context, the OJK acts as both a regulator and supervisor, ensuring that every provider of information technology-based financial services conducts its business activities in accordance with prudential principles, risk management, good governance, and consumer protection.

One of the key regulations that became a cornerstone of fintech regulation in Indonesia is POJK No. 77/POJK.01/2016 concerning Information Technology-Based Lending Services. This regulation specifically governs peer-to-peer lending (P2P lending), a service that connects lenders and borrowers through a digital platform. In this regulation, the OJK stipulates various provisions, ranging from registration and licensing requirements, maximum loan limits, information transparency requirements, personal data protection, and the obligation for providers to implement risk management principles.

In line with industry developments and the need for regulatory adjustments, the provisions in POJK 77/2016 were subsequently updated through POJK No. 10/2022 concerning Information Technology-Based Joint Funding Services. These changes are not only administrative but also substantive, strengthening governance aspects, enhancing consumer protection standards, clarifying capital provisions, and strengthening oversight and sanction mechanisms. The term "Information Technology-Based Joint Funding Services" (LPBBTI) is used to replace the previous term, to provide broader coverage and adapt to evolving industry practices.

In POJK 10/2022, the OJK emphasizes the importance of implementing the principles of transparency and fairness in determining interest rates or returns, service fees, and collection mechanisms. This is done to prevent practices that are detrimental to consumers, such as unreasonable interest rates, misuse of personal data, or unlawful collection methods. Furthermore, service providers are required to have a reliable information technology security system, including protection against cyberattacks and data leaks.

In addition to specific regulations regarding information technology-based lending services, the OJK also issued POJK No. 13/POJK.02/2018 concerning Digital Financial Innovation in the Financial Services Sector. This regulation has a broader scope, as it

regulates various forms of digital financial innovation beyond P2P lending, such as financial aggregators, insurtech, regtech, e-money, crowdfunding, and other digital business models. This OJK Regulation introduces the concept of a regulatory sandbox, a limited testing mechanism for innovative business models before granting full operational permits.

The regulatory sandbox allows the OJK to assess an innovation's feasibility, risk, and compliance with applicable laws and regulations. This mechanism allows regulators to encourage innovation without neglecting consumer protection and financial system stability. For business actors, the sandbox provides a legal and structured experimental space, allowing innovation to develop within clear legal boundaries.

In the context of Sharia fintech, regulation is not limited to compliance with positive law but must also comply with Sharia principles. Therefore, the OJK collaborates with the National Sharia Council of the Indonesian Ulema Council (DSN-MUI) to ensure that Sharia fintech products and services comply with Islamic law. The DSN-MUI has the authority to issue fatwas, which serve as a reference in determining the Sharia-compliant nature of a financial product.

The collaboration between the OJK and the DSN-MUI reflects the duality of Indonesia's legal system, where positive law and Sharia principles can coexist. In practice, every Sharia fintech organizer is required to have a Sharia Supervisory Board (DPS) which is tasked with supervising the company's operations to ensure they remain in accordance with the DSN-MUI fatwa. The OJK then ensures that aspects of governance, risk management, and consumer protection are met as stipulated in the regulations.

Sharia fintech generally uses contracts approved by the DSN-MUI, such as murabahah, mudharabah, musyarakah, and wakalah bil ujah. In its implementation, the structure of these contracts must be transparently explained to users, including the rights and obligations of each party, the return scheme, and the dispute resolution mechanism. Thus, Sharia compliance is not only formal but also substantive.

Fintech regulations in Indonesia also emphasize the importance of consumer protection. The OJK requires every provider to provide consumer complaint services, convey information clearly and not misleadingly, and maintain the confidentiality of users' personal data. Violations of these provisions can result in administrative sanctions, ranging from written warnings, fines, restrictions on business activities, to license revocation.

Furthermore, the OJK actively monitors illegal fintech practices that are unregistered or unlicensed. Illegal fintech companies often offer loans with very fast processing without adequate verification, but charge exorbitant interest rates and fines, and employ inhumane collection methods. In collaboration with relevant ministries and institutions, the Financial Services Authority (OJK) is blocking illegal platforms and educating the public to be more cautious when using digital financial services.

METODE PENELITIAN

Type of Research

This research is normative legal research (normative juridical), a form of research that focuses on the study of legal norms contained in laws and regulations, expert doctrines, and decisions of relevant judicial institutions. Normative legal research is conducted by examining library materials or secondary data as the primary source, so that the object of study is not directly societal behavior, but rather the rules, principles, and legal systems that govern a particular issue. In this context, the research focuses on analyzing the regulation and implementation of wakalah bil ujah contracts in Islamic financial technology (fintech) services in Indonesia.

As a normative legal research, the approach used focuses on library research. The legal materials used include primary legal materials, secondary legal materials, and tertiary legal

materials. Primary legal materials consist of laws and regulations relating to Islamic banking, Islamic financial institutions, consumer protection, and regulations regarding fintech in Indonesia. Furthermore, fatwas from the National Sharia Council of the Indonesian Ulema Council (DSN-MUI) governing the wakalah bil ujah contract also served as important references in this research. Secondary legal materials included literature in the form of books, scientific journals, previous research results, and the opinions of legal experts discussing the contract from the perspective of Islamic law and Indonesian positive law. Meanwhile, tertiary legal materials in the form of legal dictionaries, encyclopedias, and other supporting sources were used to clarify the terms and concepts discussed.

This normative legal research aims to examine the legal norms governing the implementation of the wakalah bil ujah contract in Sharia fintech services in Indonesia. This study not only identifies the existence of these norms but also analyzes the extent to which these norms provide a clear, consistent legal basis and can be effectively implemented in practice. Therefore, this research seeks to assess the alignment of Sharia fintech practices that utilize the wakalah bil ujah contract with the basic principles of Islamic law, applicable laws and regulations, as well as the principles of legal certainty and consumer protection.

Within the framework of Islamic law, a wakalah bil ujah contract is a contract granting power of attorney from one party to another to perform a specific legal act in exchange for compensation (ujrah). This contract has pillars and conditions that must be met to be valid and legally binding. Therefore, this study examines the normative concept of wakalah bil ujah, as stipulated in Islamic jurisprudence (fiqh muamalah) and formalized in a fatwa from the National Sharia Council (DSN-MUI), and then compares it with its implementation in Sharia fintech services. This analysis is crucial to ensure that the use of this contract does not deviate from Sharia principles, such as the prohibition of usury (riba), gharar (gharar), and maisir (gambling), and upholds the principles of justice and transparency.

In addition to examining the Islamic legal perspective, this study also examines national regulations governing the implementation of fintech, including provisions from the authorities responsible for overseeing the financial services sector. In this regard, legal certainty is a primary focus. Legal certainty requires clear, non-interpretible rules that can be consistently applied to protect all parties involved. This research analyzes whether the regulations related to the wakalah bil ujah contract in Sharia fintech comply with these principles or whether there are still gaps in norms, overlapping regulations, or unclear regulations that could potentially give rise to disputes.

This research is both descriptive and prescriptive. It is descriptive because it systematically and comprehensively explains the legal provisions governing the wakalah bil ujah contract in Sharia fintech practices. In this stage, the researcher outlines the legal basis, regulatory structure, and operational mechanisms of the contract in digital services. The presentation is conducted sequentially to obtain a complete picture of the applicable legal framework. This descriptive analysis includes identifying norms, interpreting legal provisions, and categorizing legal issues that arise in practice.

Meanwhile, the prescriptive nature of this research is reflected in its efforts to provide legal arguments and recommendations regarding how the wakalah bil ujah contract should be implemented. The research does not stop at the presentation stage; it also offers normative solutions to the problems identified. These recommendations could include improving regulations, strengthening norms, or strengthening oversight mechanisms to ensure that Sharia fintech practices adhere to the principles of legal certainty and consumer protection. From a prescriptive perspective, this research is expected to make a tangible contribution to the development of Islamic economic law in Indonesia.

Consumer protection is also a key focus of this research. In fintech services, the relationship between platform providers and service users is often conducted digitally, with

standardized agreements agreed electronically. This situation has the potential to create an imbalance in bargaining power between the parties. Therefore, this study assesses whether the implementation of the wakalah bil ujah contract in Islamic fintech has provided adequate protection for consumers, both in terms of information transparency, clarity of rights and obligations, and dispute resolution mechanisms.

Methodologically, this research utilizes a statutory approach, a conceptual approach, and, where appropriate, a comparative approach. The statutory approach is used to examine the consistency and hierarchy of norms governing Islamic fintech and the wakalah bil ujah contract. The conceptual approach is used to understand the basic concepts of Islamic law and positive law, which serve as the theoretical foundation for the research. Meanwhile, a comparative approach can be used to compare regulations in Indonesia with practices in other countries with developed Islamic financial systems.

Thus, this normative legal research aims not only to describe the existing legal conditions but also to assess and guide future legal developments. Through systematic and argumentative analysis, this research is expected to provide a scientific contribution to strengthening legal certainty and consumer protection in the implementation of the wakalah bil ujah contract in Sharia-compliant fintech services in Indonesia.

Research Approach

This normative legal research utilizes several approaches aimed at gaining a comprehensive, systematic, and in-depth understanding of the legal issues under study, particularly regarding the implementation of the wakalah bil ujah contract in Sharia-compliant financial technology (fintech) services in Indonesia from the perspective of legal certainty and consumer protection. Normative legal research essentially positions law as a norm or rule written in legislation or embodied in doctrine and decisions. Therefore, the focus of the study is on the synchronization of norms, regulatory consistency, and the compatibility between Sharia principles and applicable positive law. The approaches used in this research include the statute approach, the conceptual approach, and the case approach.

a. Statutory Approach

The statutory approach is conducted by comprehensively examining various laws and regulations that directly or indirectly relate to the implementation of Sharia-compliant fintech, the use of wakalah bil ujah contracts, and consumer protection within the Indonesian legal system. Through this approach, researchers seek to identify applicable legal norms, analyze the hierarchical structure of regulations, and assess the consistency between regulations.

In the context of supervision and regulation of the financial services sector, the Financial Services Authority (OJK) plays a crucial role. This institution has the authority to regulate, supervise, and grant licenses to fintech providers, including Sharia-compliant fintech. Therefore, regulations issued by the OJK are a primary focus of this approach, particularly those related to information technology-based joint funding services (LPBBTI). The analysis of OJK regulations is conducted to examine how wakalah bil ujah contracts are positioned within service delivery practices and how protection for service users is regulated normatively.

In addition to the Financial Services Authority (OJK), this approach also examines fatwas issued by the National Sharia Council of the Indonesian Ulema Council (MUI), particularly those related to the wakalah bil ujah contract. DSN-MUI fatwas play a crucial role in Islamic economic practices in Indonesia, serving as the primary reference for determining the compliance of a product or service with Sharia principles. Furthermore, the

institutional role of the Indonesian Ulema Council (MUI) is analyzed, particularly in providing normative legitimacy to Islamic financial practices.

Furthermore, this research considers the role of the House of Representatives of the Republic of Indonesia as a law-making body, and the Government of the Republic of Indonesia as the authority to establish and implement laws and regulations. This analysis is crucial for understanding the legislative process and the direction of national legal policy in regulating the development of Islamic fintech.

The specific laws and regulations examined include Law No. 21 of 2008 concerning Sharia Banking, which serves as the legal basis for the operations of Sharia financial institutions; Law No. 8 of 1999 concerning Consumer Protection, which regulates the rights and obligations of consumers and business actors; and Law No. 11 of 2008 concerning Electronic Information and Transactions and its amendments, which serve as the legal basis for electronic transactions in Indonesia. Through an analysis of these regulations, this study seeks to assess whether adequate legal certainty exists for the parties in Sharia fintech transactions based on the wakalah bil ujah contract.

b. Conceptual Approach

The conceptual approach is used to understand and develop a theoretical framework for legal concepts relevant to the research object. In normative legal research, this approach is crucial because not all legal issues can be answered simply by reading the text of the legislation. A deep understanding of the concepts, principles, and legal theories underlying the formation of a norm is required.

The first concept examined is the contract in Islamic law. A contract is understood as a meeting of consent and qabul which gives rise to legal consequences for certain objects in accordance with sharia principles. In this context, the research refers to the views of classical scholars such as Abu Hanifah, Malik bin Anas, Muhammad bin Idris al-Syafi'i, and Ahmad bin Hanbal. Their thoughts regarding the pillars, terms and principles of justice in contracts are the normative basis for assessing the validity of wakalah bil ujah contracts implemented in the digital system.

Next, the concept of wakalah bil ujah is analyzed as a form of representation accompanied by rewards. In sharia fintech practice, this agreement is generally used to give authority to the platform as a representative in distributing funds or managing certain transactions in exchange for ujah (fee). A conceptual approach is needed to ensure that the implementation of the contract remains in line with the principles of trust, transparency and fairness.

The concept of legal certainty is also an important focus in this research. Legal certainty is understood as a guarantee that the law can provide clear guidelines, does not have multiple interpretations, and can be implemented predictably. In the context of Islamic fintech, legal certainty relates to the clarity of the legal status of the parties, dispute resolution mechanisms, and protection against the risk of technology misuse.

Furthermore, the concept of consumer protection is analyzed to determine the extent to which the rights of users of Islamic fintech services are guaranteed by law. Principles such as the right to accurate information, the right to security, and the right to fair dispute resolution serve as parameters for assessing the effectiveness of existing regulations. Equally important, the concept of legal liability in electronic transactions is also examined, particularly regarding the liability of platform operators for losses that may arise from system failures, data leaks, or defaults.

c. Case Approach

The case approach is conducted by examining the implementation practices of the wakalah bil ujah contract on several Islamic fintech platforms in Indonesia registered with and supervised by the Financial Services Authority (OJK). This approach aims to examine how the legal norms analyzed through statutory and conceptual approaches are applied in real-world practice.

Through a study of electronic agreement documents, terms and conditions of service, and platform operational mechanisms, this research seeks to identify whether there is a correspondence between legal norms and practice in the field. This analysis also includes an evaluation of information transparency, clarity regarding the imposition of fees, and risk mitigation mechanisms provided by the provider.

By combining these three approaches, this research is expected to provide a comprehensive picture of the position of the wakalah bil ujah contract in Islamic fintech in Indonesia, while also assessing the extent to which legal certainty and consumer protection have been met. This comprehensive approach also allows researchers to identify potential gaps in norms, regulatory disharmony, and the need for future legal reforms.

Legal Materials

Legal materials in normative legal research play a crucial role as the primary source for analysis and conclusion-drawing. In research examining the implementation of the wakalah bil ujah contract in Islamic financial technology (fintech) services in Indonesia, legal materials serve as both a conceptual foundation and an argumentative basis for assessing legal certainty and consumer protection. In general, the legal materials in this research are divided into three types: primary legal materials, secondary legal materials, and tertiary legal materials. These three types of legal materials complement each other and are used systematically to obtain Comprehensive and scientifically accountable research results.

First, primary legal materials are legally binding because they originate from applicable laws and official provisions. Primary legal materials serve as the primary reference in this research because they contain positive legal norms that directly and indirectly regulate the wakalah bil ujah contract, Islamic fintech, and consumer protection. One of the primary legal materials used is Law Number 21 of 2008 concerning Islamic Banking. This law regulates the operational principles of Islamic financial institutions, including the principle of compliance with Islamic principles, contract mechanisms, and Islamic supervision. Although Islamic fintech is not entirely identical to Islamic banking, the provisions in this law remain relevant because they contain the basic principles of Islamic transactions that serve as a reference in Islamic-based financial practices.

Furthermore, this research also uses Law Number 8 of 1999 concerning Consumer Protection as the primary legal material. This law serves as the normative basis for assessing the extent to which the rights and obligations of consumers and Sharia-compliant fintech businesses are protected and regulated. It includes provisions regarding the right to correct, clear, and honest information, the right to comfort and security, and the right to obtain proper dispute resolution. These provisions are important to analyze in the context of the wakalah bil ujah contract, particularly regarding the transparency of ujah (rewards) and the clarity of the rights and obligations of the parties within the Sharia-compliant fintech platform.

Another primary legal source is Law Number 11 of 2008 concerning Electronic Information and Transactions and its amendments. This law regulates the validity of electronic transactions, electronic signatures, and the protection of data and information in electronic systems. Given that fintech operates through digital systems, the provisions of this law are highly relevant to ensuring that electronically executed wakalah bil ujah contracts remain valid and legally binding.

This research also references regulations issued by the Financial Services Authority, specifically the OJK Regulation concerning Information Technology-Based Joint Funding Services. This regulation governs the operational mechanisms of peer-to-peer fintech lending, including licensing, supervision, risk management, and user protection. In the context of Sharia fintech, OJK regulations serve as an important basis for assessing the compliance of practices with regulatory provisions and Sharia principles.

In addition to statutory regulations, primary legal materials also include fatwas issued by the National Sharia Council of the Indonesian Ulema Council (MUI), specifically the DSN-MUI Fatwa on Wakalah and Wakalah bil Ujrah. This fatwa provides normative provisions regarding the pillars, requirements, and implementation mechanisms of wakalah and wakalah bil Ujrah contracts in Sharia financial practices. Because this research focuses on the implementation of these contracts, the DSN-MUI fatwa serves as the primary reference in assessing the compliance of Sharia fintech practices with Islamic legal principles.

Furthermore, this research uses the Compilation of Sharia Economic Law as primary legal material. The Compilation of Sharia Economic Law contains more systematic regulations regarding various contracts in the Sharia economy, including wakalah. The existence of the KHES strengthens legal arguments because it provides a structured normative framework within the context of Indonesian positive law.

Second, secondary legal materials provide explanations, interpretations, and analyses of primary legal materials. While secondary legal materials are not directly binding, they are crucial in helping researchers understand the context, background, and development of legal thought. In this study, secondary legal materials include books on Islamic economic law that discuss contract theory, muamalah principles, and the development of Islamic fintech in Indonesia. These books provide a theoretical foundation for analyzing the wakalah bil ujarah contract conceptually and practically.

In addition to books, scientific journals discussing Islamic fintech also form part of the secondary legal materials. These journals generally publish empirical and normative research on fintech practices, regulatory challenges, and consumer protection in the digital financial system. By referencing scientific journals, this study can compare the findings and opinions of academics regarding the effectiveness of regulation and implementation of the wakalah bil ujarah contract.

The results of previous research are also included in secondary legal materials. These studies provide an overview of previously studied issues, while also helping to identify research gaps that this research can fill. Academic articles and opinions of experts Legal experts and ulama were also used to enrich the analysis, especially in interpreting fatwa provisions and sharia principles in the context of digitalization of financial services.

Third, tertiary legal materials are materials that provide additional explanations and help understand the terms or concepts used in research. Tertiary legal materials do not contain legal norms, but function as interpretation aids. In this research, tertiary legal materials include legal dictionaries which are used to understand legal terminology accurately and consistently. In addition, Arabic and Indonesian dictionaries are used to interpret muamalah fiqh terms such as wakalah, ujarah, and other terms related to sharia contracts.

The Islamic law encyclopedia is also an important reference in explaining basic concepts in sharia economics. Through the encyclopedia, researchers can obtain a historical and conceptual overview of the development of the wakalah contract in the Islamic legal tradition. Other reference sources that support understanding of terms, both in the form of printed and electronic literature, are also used to clarify the concepts used in research.

By utilizing these three types of legal materials in an integrated manner, this research is expected to produce an in-depth, systematic, and comprehensive analysis. Primary legal materials provide a strong normative foundation, secondary legal materials enrich theoretical

and analytical perspectives, while tertiary legal materials help clarify terminology and concepts. The combination of these three forms a solid foundation for examining the implementation of the wakalah bil ujah contract in Sharia fintech services in Indonesia, particularly from the perspective of legal certainty and consumer protection.

Legal Material Collection Technique

In normative legal research, the legal material collection technique is a crucial stage because the quality of the analysis depends heavily on the completeness and accuracy of the collected legal materials. This research employed a library research method, a data collection method conducted by reviewing various written sources relevant to the research problem. This library research was chosen because normative legal research relies on secondary legal materials as the primary source, making the search for literature, regulations, and official documents a key instrument in developing systematic and comprehensive legal arguments.

Through library research, researchers not only collect legal materials quantitatively but also select and classify them based on the level of relevance and authority of the sources. The collected legal materials were then grouped into primary, secondary, and tertiary legal materials. Primary legal materials consist of laws and regulations, fatwas, and official documents from state institutions with binding force. Secondary legal materials include books, scientific journals, and previous research results. Tertiary legal materials include legal dictionaries, encyclopedias, and regulatory indexes that help clarify terms and concepts.

First, the legal material collection technique was carried out by inventorying relevant laws and regulations. This inventory aimed to identify and compile all regulations related to the implementation of the wakalah bil ujah contract in Islamic financial technology (fintech) services in Indonesia. The inventory process was conducted systematically by tracing the hierarchy of laws and regulations as stipulated in the Law on the Formation of Legislation. Researchers examined the provisions of the Financial Services Authority (OJK), the institution authorized to regulate and supervise the financial services sector, including fintech. Key regulations studied include the Financial Services Authority (OJK) Regulation concerning information technology-based lending services, as well as recent provisions such as POJK 10/2022, which updates previous regulations.

In addition to OJK regulations, researchers also examined provisions in the Consumer Protection Law, the Civil Code (KUHPerdata), and regulations related to electronic transactions. The inventory was conducted through searches of official government websites, state gazettes, and national regulatory databases. Each regulation found was then analyzed for its relevance to legal certainty and consumer protection in Sharia fintech practices. In this way, researchers obtained a comprehensive picture of the positive legal framework governing the implementation of wakalah bil ujah contracts in Indonesia.

Second, the legal data collection technique was conducted by reviewing fatwas issued by the National Sharia Council of the Indonesian Ulema Council (DSN-MUI) regarding wakalah bil ujah. DSN-MUI fatwas play a crucial role in the Sharia financial system in Indonesia as they serve as normative guidelines for Sharia financial institutions. In conducting its business activities. In the context of this research, relevant fatwas are those on wakalah and wakalah bil ujah contracts, as well as those related to technology-based financing and services.

The fatwa review was conducted by carefully reading the considerations, legal basis, general provisions, and specific provisions stipulated in the fatwa. The researcher also considered the sharia arguments underlying the fatwa's issuance, whether sourced from the Quran, hadith, ijma', or qiyas. By reviewing the DSN-MUI fatwa, the researcher can assess the extent to which the implementation of wakalah bil ujah in Islamic fintech complies with sharia principles and how these provisions contribute to legal certainty for the parties.

Third, the legal material collection technique was conducted by gathering relevant literature and scientific journals. This literature includes books on Islamic economic law, books on fintech, scientific works on consumer protection, and previous research discussing wakalah bil ujah contracts. Literature collection was conducted through university libraries, digital repositories, and national and international scientific journal databases.

Scientific journals play a crucial role because they contain in-depth academic analysis, critiques of existing regulations, and recommendations for policy improvements. By reviewing these journals, researchers can gain theoretical and practical perspectives on the issues being studied. Furthermore, secondary literature helps strengthen the research's conceptual framework, particularly in explaining the concepts of legal certainty, consumer protection principles, and the characteristics of Islamic fintech. Each piece of literature used was then critically analyzed to ensure its suitability and relevance to the research focus.

PEMBAHASAN

How is the legal construction and application of the wakalah bil ujah contract structured in Islamic financial technology (fintech) services in Indonesian

a. Legal Construction: Legal Umbrella and Regulation

The development of technology-based financial services (fintech) in Indonesia has shown very rapid dynamics over the past decade. Digital transformation in the financial sector has given rise to various new business models, particularly in information technology-based financing, such as peer-to-peer lending (P2P lending). In the context of a state governed by the rule of law like Indonesia, every business activity involving the collection and distribution of public funds must have a clear legal basis. This is intended to ensure legal certainty, consumer protection, financial system stability, and prevent practices that are detrimental to the public.

In the realm of Islamic fintech, the legal framework becomes increasingly complex because in addition to being subject to national positive law, business actors are also obliged to comply with Islamic principles. Therefore, the legal framework for Islamic fintech in Indonesia is derived not only from formal state regulations but also from fatwas (religious edicts) issued by authoritative Islamic institutions. In general, this legal framework is formed through two main pillars: regulations issued by the Financial Services Authority (OJK) and fatwas issued by the National Sharia Council of the Indonesian Ulema Council (DSN-MUI).

Financial Services Authority (OJK) Regulations

As a state institution established under Law Number 21 of 2011 concerning the Financial Services Authority, the Financial Services Authority (OJK) has the authority to regulate and supervise all activities in the financial services sector, including banking, capital markets, and the non-bank financial industry. As fintech develops as part of innovation in the financial services sector, the OJK also plays a central role in formulating regulations governing fintech operations in Indonesia.

Formally, all fintech operators operating in Indonesia are required to be registered with and/or licensed by the OJK. This obligation applies not only to conventional fintech companies but also to fintech companies claiming to be Sharia-compliant. Legality from the OJK is an absolute requirement for a fintech company to be legally recognized and to operate legally.

One of the main regulations that serves as the legal umbrella for fintech in Indonesia is OJK Regulation No. 77/POJK.01/2016 concerning Information Technology-Based Money Lending Services.

This regulation is the initial milestone for regulating P2P lending fintech in Indonesia. It regulates various important aspects, from registration and licensing mechanisms, provider

obligations, business activity limitations, risk mitigation, good corporate governance, and protection for service users, both lenders and borrowers.

Although this POJK is generally general in nature and not specifically designed for Sharia-compliant fintech, it remains the legal basis that all P2P lending providers, including those based on Sharia principles, must comply with. In other words, Sharia fintech does not have a separate legal regime for licensing and administrative oversight; they remain within the OJK's supervisory framework, just like conventional fintech.

In this context, OJK Regulation 77/2016 stipulates that the provider acts as an intermediary, connecting lenders and borrowers through an electronic system. The provider's legal position is neither creditor nor debtor, but rather a facilitator. This concept is relevant to the use of the *wakalah bil ujah* contract in Sharia fintech, as in practice, the provider often acts as a representative (*wakil*) of the parties to manage the financing process in exchange for a specific fee (*ujrah*).

OJK regulations also emphasize the importance of information transparency, personal data protection, risk disclosure to users, and the obligation to resolve disputes fairly. These provisions are crucial elements in ensuring legal certainty and consumer protection, including in Sharia financing schemes. Therefore, although the contracts used in Sharia fintech are based on Islamic principles, their operational framework must still align with the prudential and governance standards established by the OJK.

In addition to POJK 77/2016, the OJK has also implemented various regulatory updates to adapt to industry developments and the need for stricter oversight. These reforms aim to strengthen capital, improve risk management, and take firm action against illegal fintechs operating without permits. Therefore, from a positive legal perspective, the existence of Sharia fintechs gains formal legitimacy through compliance with OJK regulations.

b. Fatwa of the National Sharia Council (DSN-MUI)

In addition to Under state regulations, Sharia fintech must also comply with Islamic legal principles. In the Indonesian context, the authority authorized to issue fatwas regarding the Sharia-compliant nature of a financial product is the National Sharia Council of the Indonesian Ulema Council (DSN-MUI). DSN-MUI fatwas serve as normative guidelines for Sharia financial institutions, including Sharia fintech, in designing and implementing their products and services.

It is important to understand that Indonesia currently lacks specific legislation that comprehensively regulates Sharia fintech. Therefore, DSN-MUI fatwas hold a strategic position as the primary reference source in determining whether a product or financing mechanism complies with Sharia principles.

Several fatwas that are relevant in the legal construction of *wakalah bil ujah* contracts in sharia fintech include:

1) DSN-MUI Fatwa Number 113/DSN-MUI/IX/2017 concerning the Wakalah Bil Ujah Agreement

This fatwa specifically regulates the concept, pillars, terms and conditions for implementing the *wakalah bil ujah* contract in various economic transactions. *Wakalah bil ujah* is a contract granting authority from one party (*muwakkil*) to another party (representative) to carry out a legal act in return (*ujrah*).

In the context of sharia fintech, this contract is often used to give authority to platform organizers to manage funds, select financing recipients, sign documents on behalf of users, and carry out billing. The fatwa emphasizes that *ujrah* must be agreed clearly at the beginning, it must not contain elements of *gharar* (obscurity), usury, or practices that are detrimental to either party.

With this fatwa, the construction of contracts in Sharia fintech has a strong normative basis from an Islamic legal perspective. The fatwa also emphasizes the importance of transparency and clarity of the rights and obligations of the parties, which aligns with the principle of consumer protection in positive law.

2) DSN-MUI Fatwa Number 117/DSN-MUI/II/2018 concerning Information Technology-Based Financing Services Based on Sharia Principles

This fatwa explicitly recognizes the existence of Sharia fintech as a form of technology-based financing innovation that adheres to Sharia principles. It lists various contracts that can be used in Sharia fintech services, such as wakalah bil ujah, murabahah, musyarakah, mudharabah, qardh al-hasan, and ijarah.

This fatwa also stipulates that providers are required to ensure that there are no elements of riba, gharar, maisir (speculation), tadbis (fraud), and zalim (unjust) in the entire financing process. In addition, the organizer must have a Sharia Supervisory Board (SSB) tasked with overseeing the company's operational compliance with Sharia principles.

With Fatwa 117/2018, Sharia fintech has gained substantive legitimacy from a Sharia perspective. This fatwa complements the formal regulations of the Financial Services Authority (OJK) by providing a theological and normative basis for technology-based financing mechanisms.

Implementation of the Wakalah Bil Ujah Contract in Sharia Fintech in Indonesia

The implementation of the wakalah bil ujah contract in Sharia fintech in Indonesia represents a form of legal and economic innovation that combines Islamic muamalah principles with the development of digital technology. With the rapid growth of the financial technology (fintech) industry in Indonesia, the need for a contract model that complies with Sharia principles is becoming increasingly important. In this context, the wakalah bil ujah contract has become one of the most widely used contracts due to its flexibility, adaptability to digital systems, and suitability to the characteristics of technology-based financial services.

Conceptually, wakalah bil ujah is a contract delegating power of attorney from one party (muwakkil) to another party (wakil) to perform a specific legal action in exchange for an agreed-upon fee (ujrah). In the Sharia fintech system, the relationship between the user and the platform is highly relevant to this concept, as the platform essentially acts as an intermediary or manager representing the user's interests in various financial transactions. Therefore, implementing wakalah bil ujah in Sharia fintech is not merely an optional contract, but rather a structural necessity to ensure the platform's operations remain compliant with Sharia principles.

In practice, Sharia fintech in Indonesia has adopted the wakalah bil ujah contract in various digital services, particularly in Sharia peer-to-peer (P2P) lending, digital payment services, Sharia-compliant e-wallets, and various automated system-based transactions. This contract is implemented through a digital agreement (electronic agreement) agreed to online by the parties, while adhering to the pillars and requirements for a valid contract according to Islamic law.

1. Sharia Peer-to-Peer Lending Model

One of the most obvious forms of wakalah bil ujah implementation can be found in The Islamic P2P lending model connects the fund provider (investor or lender) with the borrower (recipient) through a digital platform that acts as an intermediary. Under Sharia law, the relationship between the investor and the platform is often established through a wakalah bil ujah contract.

In this scheme, the fund provider acts as the muwakkil, the party that authorizes the platform to distribute funds to those in need of financing. The Islamic fintech platform acts as the representative, authorized to select potential recipients, conduct feasibility analyses, disburse financing, monitor payments, and manage payment and repayment administration. For this representation, the platform is entitled to receive a fee, or *ujrah*, agreed upon at the outset of the contract.

This *ujrah* is not interest or an addition to the principal, but rather compensation for the platform's management and representation services. Thus, this structure differs fundamentally from conventional interest-based (*riba*) systems. In Sharia fintech, investors' profits are derived from the financing agreements they use for the recipient of funds, such as *murabahah*, *mudharabah*, or *ijarah*, while the platform only receives a fee as an agent.

Several Sharia fintech companies in Indonesia, such as Alami Syariah and Investree Syariah, have implemented this scheme in their Sharia-compliant invoice financing and business financing products. In invoice financing, for example, investors authorize the platform to disburse funds to businesses that have invoices from partner companies. The platform verifies the invoices, ensures their validity and eligibility for financing, and then disburses the funds on behalf of the investor. This entire process is carried out within the framework of *wakalah bil ujah* (the trusteeship agreement).

The advantage of using *wakalah bil ujah* in Sharia P2P lending is the clarity of roles and responsibilities of each party. The investor, as the trustee, remains the fund owner and bears the financing risks in accordance with the agreement, while the platform, as the trustee, is professionally responsible for carrying out the granted authority. This ensures the principles of transparency (openness of information), fairness, and accountability.

2. Sharia Payment and E-Wallet Services

In addition to financing models, the *wakalah bil ujah* contract is also applied to digital payment services and Sharia e-wallets. In these services, the legal relationship between the user and the platform is essentially a representative relationship. The user authorizes the platform to carry out certain transactions on their behalf, such as shopping payments, fund transfers, phone credit purchases, *zakat* (alms), *infaq* (donation), *sadaqah* (charity), and other routine bills.

In this context, the user acts as a muwakkil (trustee), authorizing the platform to manage and distribute funds according to their instructions. The platform acts as an agent, executing these instructions through an electronic system integrated with various merchants and financial institutions. For these services, the platform may charge an *ujrah* (service fee) in the form of an administration fee or service fee, as agreed in the digital contract.

The digital contract in a Sharia e-wallet is usually outlined in terms and conditions, which the user agrees to upon registration. Even though the transaction is conducted electronically, it must still comply with Sharia principles, such as the consent of the parties (*an-taradin minkum*), clarity of the transaction object, and transparency regarding the fee amount. Therefore, the existence of *ujrah* in this service is not a form of exploitation, but rather legitimate compensation for the services of the representative and system management.

The implementation of *wakalah bil ujah* in Sharia e-wallets also provides legal certainty by clarifying that the platform does not own user funds absolutely, but only manages them based on the power of attorney granted. This is crucial for maintaining public trust and preventing potential misuse of funds.

3. Automatic Purchase or Payment Transactions

In further developments, Sharia fintech also provides automated transaction features, such as auto-debit for bill payments, periodic digital purchases, and routine transfers to specific accounts. This feature is highly relevant to the concept of wakalah bil ujah because the user essentially grants the platform ongoing authority to perform certain legal actions on their behalf for a specified period.

For example, a customer might activate the automatic payment feature for their electricity bill every month. In this case, the customer authorizes the platform to debit the balance and pay the bill to the electricity service provider. The platform acts as a representative that carries out these instructions automatically according to a schedule. The agreed-upon fee for this service can be charged as a fee (ujrah).

This structure demonstrates that wakalah bil ujah is highly compatible with automation-based digital systems. As long as the authority is clearly granted, the transaction object is halal and can be delegated, and the ujah is agreed upon transparently, the practice is valid under Islamic law. In fact, this automation feature actually increases efficiency and convenience for users, which is one of the objectives of the maqasid al-Shariah (Islamic principles) in the field of muamalah (transactions), namely to provide benefits and eliminate difficulties.

From the perspective of legal certainty and consumer protection, the implementation of wakalah bil ujah in Islamic fintech must also be accompanied by clear regulations and effective oversight. In Indonesia, fintech supervision is carried out by the Financial Services Authority (OJK), while aspects of Sharia compliance are overseen by the National Sharia Council – Indonesian Ulema Council (DSN-MUI). DSN-MUI fatwas regarding wakalah and technology-based financial services serve as the normative foundation for Islamic fintech operations.

With clear regulations and fatwas, users have legal protection in the event of disputes or violations. Platforms, as representatives, must not exceed their authorized powers, must not misuse funds, and must provide accurate and transparent information. In the event of default or negligence, the platform can be held accountable in accordance with applicable laws.

Overall, the implementation of the wakalah bil ujah contract in Islamic fintech in Indonesia demonstrates the harmony between Islamic principles and technological innovation. This contract allows platforms to operate professionally as service providers, without engaging in usury, gharar, or other prohibited practices. Through P2P lending models, e-wallet services, and automated transactions, wakalah bil ujah forms a crucial foundation for building a fair, transparent, and ummah-oriented Islamic fintech ecosystem.

With the continued development of digital technology, the future challenge is to ensure that the implementation of this contract remains consistent with Islamic principles, maintains legal clarity, and provides optimal protection for consumers. If this can be realized, Islamic fintech based on wakalah bil ujah (the right to own property) has the potential to become a key pillar in the development of the national Islamic economy in Indonesia.

Does the implementation of the wakalah bil ujah contract in Islamic financial technology (fintech) services in Indonesia meet the principles of legal certainty and consumer protection?

In the study of Islamic economic law, or fiqh muamalah (Islamic jurisprudence), the contract is the primary instrument for regulating legal relationships between individuals in the economic sector. Every muamalah activity that gives rise to rights and obligations must be based on a valid contract according to Sharia. One contract that plays a crucial role in

modern economic practices, including Islamic financial technology (fintech) services, is the wakalah bil ujah contract.

Etymologically, the word wakalah comes from the Arabic "wakala-yuwakkilu-wakalah," which means to hand over, entrust, or delegate a matter to another party. In fiqh terminology, wakalah is defined as the delegation of power from one party called the muwakkil (authorizer) to another party called the representative (recipient of the proxy) to carry out certain legal acts that may be represented. In other words, wakalah is a representative contract that allows a person to appoint another party to carry out actions on his behalf, as long as the action is legal and justified according to sharia.

Basically, wakalah is a tabarru' contract (agreement to help) which can be done without compensation. However, in contemporary muamalah practice, wakalah is often accompanied by giving compensation or fees to representatives for the services provided. When wakalah is accompanied by compensation, the contract is called wakalah bil ujah, namely a representative contract with the provision of wages or compensation. Ujah itself means reward, wages, or payment for services rendered. Thus, wakalah bil ujah is an agreement to delegate power which is accompanied by an agreement to provide certain compensation to the representative.

The concept of wakalah bil ujah (the right to assume responsibility for the rights of others) is highly relevant to the development of the modern Islamic financial system. In practice, Islamic financial institutions, including Islamic fintech companies, often act as representatives of their clients in managing funds, disbursing financing, or performing other administrative activities. In carrying out this role, the institution is entitled to receive a fee (ujah) as compensation for the professional services provided.

For a wakalah bil ujah contract to be valid under Islamic law, it must comply with the basic principles established in Sharia. These principles aim to maintain fairness, transparency, and Avoid prohibited elements such as usury (riba), gharar (gharar), and gambling (maysir).

The first principle is a valid contract, namely an agreement between the two parties. This agreement must be based on voluntary consent (an-taradin minkum) without any element of coercion (ikrah). In a wakalah bil ujah (contract of trust), the muwakkil must consciously and voluntarily grant power of attorney to the representative, and the representative must also accept the appointment with full responsibility. Without a valid agreement, the contract is void by law.

The second principle is a clear offer (ijab) and acceptance (qabul), either verbally or in writing. In the modern context, particularly in Sharia fintech services, ijab and qabul are generally expressed in a written agreement or a digital contract that is electronically approved. Clarity in the wording of the agreement is crucial to avoid future disputes. All rights and obligations of the parties must be stated in detail to avoid multiple interpretations.

The third principle is that the object of the wakalah must be clear and specifically defined. The object of the wakalah must be a legal act that is permissible under sharia law, such as collection, fund management, payment, or financing disbursement. The object cannot be a personal act that cannot be delegated, such as a specific mahdhah (obligatory religious service). In Sharia fintech practices, the object of wakalah is usually fund management, financing feasibility analysis, or distribution of funds to the recipient.

The fourth principle is that the fee or ujah must be fair, transparent, and mutually agreed upon. Ujah must not be determined unilaterally and must be clearly known at the outset of the contract. Determining ujah that is unclear or subject to change without agreement may contain elements of gharar (uncertainty), which is prohibited in Islam. Transparency in determining fees is crucial, especially in fintech systems that involve many

users and digital transactions. All administrative fees, service fees, and payment mechanisms must be openly disclosed to the parties.

The fifth principle is that the contract must not contain elements of *riba* (*riba*), *gharar* (*gharar*), or *maysir* (risk of betting). *Riba* refers to additional requirements in exploitative lending and borrowing transactions. *Gharar* is excessive ambiguity or uncertainty in a contract. *Maysir* is an element of speculation or gambling involving chance. In *wakalah bil ujah*, *ujrah* should not be linked to loan interest but rather serves purely as compensation for services. Furthermore, the transaction structure must be clear and free from hidden risks that could harm either party.

In the context of Islamic fintech, the implementation of *wakalah bil ujah* plays a strategic role. Islamic fintech is an innovative digital technology-based financial service that operates in accordance with Islamic principles. Its business models include peer-to-peer (P2P) financing, Islamic crowdfunding, payment gateways, and other digital financial services. In many of these models, fintech companies do not act as lenders, but rather as intermediaries or fund managers based on *wakalah*.

For example, in the Islamic peer-to-peer financing model, lenders authorize fintech platforms to distribute their funds to borrowers who have gone through a selection process. In this case, the platform acts as the lender's representative. For its selection, management, and monitoring of the financing, the platform receives a pre-agreed fee (*Ujah*).

Furthermore, in the Islamic crowdfunding model, the public can invest in productive projects through a digital platform. The platform acts as an agent, managing investment funds and distributing them to project managers in accordance with the applicable contract, such as *mudharabah* or *musyarakah*. In this scheme, *wakalah bil ujah* is used to legitimize the platform's role as administrative manager and investment intermediary.

The role of *wakalah bil ujah* in Islamic fintech is also evident in payment and collection services. Platforms can be authorized to collect payments from customers or distribute business profits to investors. All of these activities are based on a valid and transparent representation contract.

The existence of the *wakalah bil ujah* contract in Sharia fintech provides legal certainty and protection for the parties. With a clear contract, the rights and obligations of each party can be clearly defined. This is crucial for maintaining trust in the digital financial ecosystem, which relies heavily on transparency and accountability.

However, implementing *wakalah bil ujah* in Sharia fintech also faces challenges. One of these is ensuring that all digital processes truly reflect Sharia principles, not just labels. Supervision from It is crucial for the competent authorities and the Sharia Supervisory Board to ensure that the *ujrah* charged is truly a service fee, not a disguised interest.

Furthermore, public literacy regarding Sharia contracts also needs to be improved. Many fintech users do not yet understand the difference between *wakalah bil ujah* and conventional interest-based schemes. Therefore, education regarding the contract structure, the mechanism for determining *ujrah*, and the rights and obligations of the parties is crucial for the sustainable development of Sharia fintech.

Overall, *wakalah bil ujah* is a flexible and adaptable contract. Its simple basic concept, namely the delegation of power in exchange for services, allows this contract to be applied in various modern business models, including the digital financial system. As long as Sharia principles are met—a valid agreement, clarity of the object, transparency of *ujrah*, and freedom from *riba*, *gharar*, and *maysir*—the *wakalah bil ujah* contract can be an effective instrument in supporting the growth of the Sharia economy.

Thus, a comprehensive understanding of the concept of *wakalah bil ujah* is crucial, especially in the context of Islamic fintech. This contract not only serves as the legal basis for the relationship between the platform and users, but also as a mechanism to ensure that

technological innovation remains within Islamic values. Through proper implementation and strict oversight, wakalah bil ujah can form a strong foundation for a fair, transparent, and sustainable Islamic digital financial system.

The development of financial technology (fintech) services in Indonesia has shown rapid dynamics over the past decade. Digital transformation in the financial sector not only drives efficiency and financial inclusion but also presents complex legal challenges, particularly in the context of implementing Islamic principles. One of the contracts widely used in Islamic fintech practices is the wakalah bil ujah contract, which is the delegation of power accompanied by the provision of compensation (ujrah). In this context, a crucial question arises: to what extent the implementation of the wakalah bil ujah contract in Sharia fintech meets the principle of legal certainty in Indonesia.

To answer this question, an analysis of the applicable regulatory framework is necessary. Legal certainty is a fundamental principle in a state based on the rule of law, as affirmed in Article 1 paragraph (3) of the 1945 Constitution. In the context of digital financial services, legal certainty is crucial to provide consumer protection and ensure the stability of the national financial system.

In the Indonesian legal system, several institutions have the authority and important roles to regulate and oversee fintech operations, including Sharia-based fintech. First, the Financial Services Authority (OJK). The OJK is an independent institution established under Law Number 21 of 2011. The OJK has the authority to regulate and oversee all activities in the financial services sector, including banking, capital markets, and non-bank financial industries such as peer-to-peer lending fintech. In the context of Islamic fintech, the Financial Services Authority (OJK) is responsible for ensuring that all providers comply with legality, governance, risk management, and consumer protection.

Second, Bank Indonesia (BI). Bank Indonesia acts as the central bank, regulating and maintaining the stability of the payment system. In the fintech context, BI has authority over aspects of the digital payment system, including e-money, payment gateways, and fund transfer infrastructure. If Islamic fintech uses a specific digital payment mechanism, the provider is required to comply with regulations established by BI.

Third, the National Sharia Council – Indonesian Ulema Council (DSN-MUI). This institution has the authority to issue fatwas that serve as sharia guidelines for Islamic financial institutions. DSN-MUI fatwas serve as the normative basis for the implementation of sharia contracts, including wakalah bil ujah. Although fatwas are not statutory regulations within the formal hierarchy, in practice they are binding because they serve as a reference in OJK regulations and the operations of Islamic financial institutions.

Fourth, Law Number 8 of 1999 concerning Consumer Protection. This law serves as the basis for legal protection for all consumers, including users of Sharia-compliant fintech services. The principles of transparency, clarity of information, and the prohibition of standard clauses that harm consumers are crucial in analyzing legal certainty.

The existence of these various regulators demonstrates the multi-layered nature of Indonesia's Sharia-compliant fintech oversight system, with a division of authority. Complementary vision.

In practice, the implementation of Sharia fintech does not exist in a legal vacuum. Several regulations serve as the operational basis, covering administrative, technical, and sharia aspects.

One of the main regulations is POJK Number 10/POJK.05/2022, which updates the previous regulation regarding information technology-based money lending services. This regulation applies to all fintech P2P lending providers, both conventional and sharia-compliant.

Although the OJK regulation does not specifically explain each type of sharia contract, including wakalah bil ujah, it emphasizes that sharia-based providers must comply with sharia principles, as evidenced by fatwas from the National Sharia Council (DSN-MUI) and the existence of a Sharia Supervisory Board (DPS). Thus, the OJK regulation provides a general legal framework, while specific sharia aspects are supplemented by fatwas from the DSN-MUI.

In the context of the wakalah bil ujah contract, the DSN-MUI has issued fatwas that serve as references for Islamic financial institutions, including fintech. One such fatwa is DSN-MUI Fatwa No. 10/DSN-MUI/IV/2000, which regulates general provisions regarding wakalah.

The DSN-MUI fatwa provides the normative foundation that wakalah bil ujah is permissible as long as it meets the pillars and requirements for a valid contract. In Islamic fintech, this contract is often used to delegate fund management, collection, or certain administrative processes. The combination of OJK regulations and the DSN-MUI fatwa creates dual compliance: compliance with positive law and compliance with sharia principles.

Based on the regulatory framework outlined, it can be concluded that normatively, there is a fairly strong legal framework for the implementation of the wakalah bil ujah contract in Islamic fintech in Indonesia. First, from a formal legal perspective, fintech operators are required to obtain a permit from the Financial Services Authority (OJK). This ensures that only entities that meet certain standards can operate.

Second, from a contractual perspective, the DSN-MUI fatwa provides clear guidelines regarding the wakalah bil ujah mechanism. This clarity strengthens sharia legitimacy and provides a sense of security for Muslim users. Third, from a consumer protection perspective, the Consumer Protection Law ensures the right to accurate, clear, and honest information.

Thus, legal certainty in sharia fintech does not stem from a single regulation, but rather from an integrated regulatory framework that combines state law and sharia norms. However, in practice, a number of challenges remain that affect the level of legal certainty.

The development of sharia financial technology (fintech) services in Indonesia is part of a major transformation in the national financial system. The digitalization of sharia-based financing, investment, and transaction services provides convenience, speed, and broad reach to the public. However, behind this progress lies a fundamental aspect that must not be overlooked: legal certainty. Without legal certainty, the growth of the Sharia fintech industry has the potential to pose risks for consumers, investors, and the providers themselves.

Legal certainty in Sharia fintech practices relates not only to the existence of formal regulations but also to their concrete implementation on the ground. In the Indonesian context, supervision of the financial services industry is carried out by the Financial Services Authority, while Sharia compliance refers to fatwas issued by the National Sharia Council of the Indonesian Ulema Council. This synergy between state regulations and Sharia norms forms the legal framework for Sharia fintech.

Two key aspects that determine legal certainty in Sharia fintech practices are contract documentation and registration and licensing status. These are interrelated and serve as indicators of whether a platform truly provides optimal legal and consumer protection.

Consumer protection is a crucial aspect in the implementation of the wakalah bil ujah contract in Sharia financial technology (fintech) services in Indonesia. In the context of national law, consumer protection is not only based on Sharia principles but also rests on positive provisions such as Law Number 8 of 1999 concerning Consumer Protection, which

affirms consumers' rights to comfort, security, safety, and correct, clear, and honest information regarding the condition and guarantees of the goods and/or services they use.

From a Sharia perspective, consumer protection is not merely a formal legal obligation but also part of the implementation of the value of justice (al-'adl.), transparency (al-shidq), and the prohibition of harmful practices (zulm). Therefore, when the wakalah bil ujah contract is implemented in Sharia fintech, it must be ensured that consumers fully understand the contents of the contract, the fees charged, the potential risks, and have access to fair and effective dispute resolution mechanisms.

To assess the extent to which consumer protection has been optimally implemented, several fundamental questions need to be examined: Are consumers adequately protected? Are effective and accessible dispute resolution mechanisms available? Is there transparency regarding costs and risks in practice? These three aspects are key indicators in assessing the quality of consumer protection in the wakalah bil ujah contract in Sharia fintech.

CONCLUSION

1. Legal Construction and Implementation of the Wakalah bil Ujah Contract in Sharia Fintech in Indonesia

Based on the discussion of the first problem formulation, it can be concluded that the legal construction of the wakalah bil ujah contract in Sharia financial technology (fintech) services in Indonesia is built through a combination of Islamic law (fiqh muamalah), fatwas from religious authorities, and positive national regulations.

Normatively, the concept of wakalah bil ujah stems from the principles of Islamic economic law, which permits the delegation of power (wakalah) accompanied by compensation (ujrah). This concept was later formally institutionalized through a fatwa issued by the National Sharia Council of the Indonesian Ulema Council (DSN-MUI), which serves as a sharia guideline for Islamic financial institutions, including Islamic fintech. The DSN-MUI fatwa legitimizes the wakalah bil ujah contract as valid for use in modern financial practices as long as it meets the pillars and requirements of a sharia-compliant contract, such as the presence of contracting parties, a clear object, the acceptance and acceptance of the terms of the ujah, and the clarity of the ujah.

Within the positive legal framework, Islamic fintech in Indonesia operates under the supervision of the Financial Services Authority (OJK), the primary regulator of the financial services sector. The primary legal framework for fintech lending was previously stipulated in POJK No. 77/POJK.01/2016, which was subsequently updated through POJK No. 10/POJK.05/2022 concerning Information Technology-Based Joint Funding Services. Furthermore, consumer protection aspects are subject to Law Number 8 of 1999 concerning Consumer Protection, as well as regulations on personal data protection and information transparency provisions.

This legal framework demonstrates that the wakalah bil ujah contract in Islamic fintech does not stand alone as a religious contract, but is integrated into the national legal system. In practice, this contract is widely implemented in Islamic peer-to-peer (P2P) lending models, where:

- a. The funder (investor) authorizes the platform to act as a representative.
- b. The platform acts as an agent to distribute funds to the recipient.
- c. The platform receives a ujah (profit) in return for management and distribution services.

However, in practice, several issues remain. First, on some platforms, contracts are often packaged in lengthy digital "terms and conditions" that are difficult for the general public to understand. Second, there is a tendency to use hybrid contracts (multi-contracts) that are sometimes not explained transparently. Third, documentation standards and consumer understanding of contracts vary among providers.

Thus, the legal structure of wakalah bil ujah in Islamic fintech in Indonesia has been normatively established and enjoys strong legitimacy from both sharia and positive law perspectives. However, at the implementation level, challenges remain in harmonization, standardization, and strengthening legal literacy.

2. Fulfillment of the Principles of Legal Certainty and Consumer Protection

Based on the second problem formulation, it can be concluded that the implementation of wakalah bil ujah contracts in Islamic fintech in Indonesia has generally led to the fulfillment of the principles of legal certainty and consumer protection, but not yet fully optimally.

a. Legal Certainty

The principle of legal certainty requires clear rules that are not open to multiple interpretations, are enforceable, and guarantee justice for the parties. In the context of Islamic fintech, Ah:

b. Formal Legality

Sharia fintech providers must be registered and licensed with the Financial Services Authority (OJK). This provides a strong formal legal basis and reduces illegal practices.

c. Clarity of the Contract

In theory, the wakalah bil ujah contract must explain:

- 1) The scope of authority.
- 2) The amount of ujah.
- 3) The rights and obligations of the parties.
- 4) The dispute resolution mechanism.

However, in practice, this clarity is often contained in a digital format that is not fully understood by consumers.

d. Sharia Supervision

The presence of a Sharia Supervisory Board (DPS) in every Sharia fintech provides assurance that the product complies with the DSN-MUI fatwa.

e. Dispute Mechanism

Dispute resolution can be conducted through internal mediation, the OJK, or alternative dispute resolution institutions. These mechanisms are normatively available, but their accessibility and effectiveness still need to be improved. Overall, the aspect of legal certainty is normatively provided, but the effectiveness of implementation still requires strengthening.

3. Consumer Protection

From a consumer protection perspective, there are several key indicators:

a. Information Transparency

Consumers have the right to receive accurate, clear, and honest information regarding costs, risks, and their rights. In practice, several Islamic fintech companies have openly included financing simulations and ujah structures. However, there is still a risk of misinterpretation due to complex legal language.

b. Contractual Fairness

Digital contracts are often standardized. This has the potential to create an imbalance in the bargaining power between platforms and consumers.

c. Personal Data Protection

With the growth of digitalization, the issue of data protection has become crucial. Data protection regulations provide a legal basis, but technical oversight and cybersecurity remain challenges.

d. Islamic Financial Education and Literacy

Public literacy regarding Islamic contracts remains relatively low. Many consumers do not understand the fundamental differences between conventional and Islamic systems.

Thus, it can be concluded that the implementation of the wakalah bil ujah contract in Islamic fintech in Indonesia already has an adequate consumer protection framework from a normative perspective. However, its implementation still needs improvement, particularly in terms of transparency, contract simplicity, and public legal literacy.

SUGGESTIONS

Based on these conclusions, several suggestions can be put forward:

1. For Regulators (OJK and Relevant Authorities):
 - a. Standardize the format of digital wakalah bil ujah contracts to make them simpler and easier to understand.
 - b. Strengthen oversight of standard clauses to prevent consumer harm.
 - c. Encourage a more comprehensive integration of Sharia and fintech regulations into a single regulation specifically for Sharia fintech.
 - d. Increase oversight of personal data protection and system security.
2. For the National Sharia Council (DSN-MUI) and the Supervisory Board (DPS):
 - a. Issue technical guidelines for the implementation of wakalah bil ujah contracts in digital fintech.
 - b. Increase regular Sharia compliance audits.
 - c. Promote public education regarding the concept of Sharia contracts.
3. For Sharia Fintech Providers
 - a. Develop more transparent and user-friendly contracts.
 - b. Provide a simple summary of the contract before digital approval.
 - c. Strengthen data security and risk management systems.
 - d. Provide responsive consumer complaint services.
4. For the Public/Consumers
 - a. Improve financial literacy and understanding of Sharia contracts.
 - b. Ensure that the fintech company used is licensed by the Financial Services Authority (OJK).
 - c. Carefully read all contract provisions before agreeing.

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