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Financial Technology Peer to Peer (P2P) Lending Sharia in a Fastening Growth of Islamic Financial Industry

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Abstract

Islamic financial industry is one of the upfront leading in an Islamic financial model other than Islamic financial philantrophy to increase the prosperity inside the community and in particular inside a moslem community. Both of Islamic financial industry and Islamic financial Philantrophy has a role to raise up a growth of an people income inside a community. Islamic digital finance or that we call in a daily name as a fintech, financial technology nowdays as a product of Islamic financial industry lead them into another level of growth and fastening the movement of economic chain between investor and busnissman or entrepreneur. This research is descriptive qualitatif discusses how Islamic financial technology peer to peer lending sharia make development of Islamic financial industry through strengthening one of the underbow in global Islamic financial industry. This financial technology peer to peer lending sharia is an economic product that plays a role in economic progress. Considering the huge market potential of Indonesia's sharia economy, making Indonesia a most consumer of this products fintech peer to peer lending sharia financial as a users.

Keywords: *Islamic Financial Industry; Fintech; Peer to Peer Lending Sharia*

Introduction

Indonesia is a subject and object country in Islamic economics both in economic industry, philanthropy and research where in this study will only examine the economic industry specifically. The subject is the perpetrator of an industrial development that always innovates and evolves according to the surrounding conditions, in this case Indonesia is an industrial Islamic financial player, in this case the population is making a progressive evolution in this Islamic financial industry.

The object of Indonesia as an object is a target and goal that will be targeted from an industrial development, which will grow the economy and help its people get a more decent life. As we all know, in the last decade the progress of digitalization has entered all industrial fields, both financial and non-financial. In the financial sector, a new term has emerged that is often referred to as fintech, which according to the Financial Services Authority (OJK) is an innovation in the financial services industry that utilizes the use of technology.

This fintech product is in the form of a system and network created to carry out certain financial transactions. From the emergence of the first fintech, *fintech trends* have developed as a new form of business, both the emergence by backing up existing parent companies and new fintech created by new parent companies as new forms of business. Fintech in its development can also be formed because of the existence of other company partners who need their services accompanied by special agreements between them such as the existence of a fintech that was established only to provide cashflow, one partner company in this case is an e-commerce application that offers installments to their users that cannot be handled alone by the e-commerce company (Syahwildan &; Damayanti, 2022).

Fintech is included in all types of businesses as recorded in data from OJK which says that the temporary development of the study conducted by the OJK Economic and Financial Digital Innovation Development Team, the classification of fintech companies that are included in the OJK authorization consists of various types of businesses such as banking, insurance, investment, financing, peer to peer lending, crowd funding, credit chanelling and so on. The classification of fintech companies is outside the type of fintech business in the field of payment systems that will be regulated by Bank Indonesia (Amaliaparamita Sari, 2019).

The temporary nature in the statement from OJK above means that the development of the fintech industry still has room to develop and add new products that will emerge in the future even though currently the scope has entered various types of businesses such as banking, insurance, investment, financing, peer to peer lending, crowd funding, credit chanelling but in the future it is possible that other fields will also emerge over time.

Fintech peer to peer lending, in addition to emerging from *e-commerce-based* star ups , there are also those whose emergence is based on savings and loan cooperatives and special financing companies. In terms of cooperative-based peer to peer lending fintech (in this case it is a savings and loan cooperative) it is considered that the digitalization of cooperatives is very important. *Where Indonesia's digital market has reached more than 50 billion in 2021, US dollars, which in 2025 is predicted to increase to more than 125 billion US dollars. If all of these cooperatives are digitized, with more than 25 million members from the entire population in Indonesia, then this will add to the digital market in Indonesia tremendously* (Airlangga Hartarto, 2021).

The government also does not stand idly by seeing the phenomenon of digitalization which is increasingly becoming an obligation for the progress of an era, so it also encourages cooperatives to be highly competitive by creating regulations with the issuance of the Job Creation Law in 2020 to provide convenience in the field of cooperatives to be competitive with other financial institutions and companies.

As in the Job Creation Law on simplifying members who will establish a cooperative, where the requirements for establishing a primary cooperative can be formed at least 9 people from the original 20 people, expanding regulations on member register books that can be in the form of written or electronic documents with the aim of facilitating and accelerating member data collection and registration faster, Member Meetings can be held online, Cooperative businesses that were previously separate are now easier because they can apply for licenses that are not complicated in their implementation both single and multi-business, also the most important thing in relation to fintech peer to peer lending Sharia stipulates that the legal basis of Shari cooperatives where cooperatives can carry out activities based on Sharia principles and Sharia cooperatives must have a Sharia Supervisory Board.

In addition, fintech peer to peer lending is also based and departed from finance companies and loans that are not cooperatives which in the course of transformation from traditional financing and lending are needed to reach more customers and wider profits which will ultimately help people in improving their welfare and standard of living.

Fintech peer to peer lending itself in Indonesia is currently credible and has business licenses from OJK as many as 102 companies in February 2003, where this number will definitely fluctuate depending on performance and license renewal issued from OJK.

In the midst of the development of conventional peer to peer lending fintech, there is also an alternative to Sharia peer to peer lending fintech which has a different nature from conventional peer to peer lending fintech where the form and transactions must be sharia. Its emergence offers an alternative product for Muslim communities who want to practice their religion as well as non-Muslims who want a different system and management that is different from the management of the conventional traditional financial industry with several advantages and disadvantages. Although there are no specific regulations that regulate in one legal shade separated from conventional ones, the spirit of development and the positive trend of sharia-based peer to peer lending fintech tends to increase (Dermine, 2017). Therefore, this article will review the development of Sharia Peer To Peer (P2P) Lending financial technology in developing the growth of the Islamic financial industry.

Methodology

This review includes literature studies that discuss or look for theoretical references and references relevant to the topic raised. Literature study design is a series of activities related to methods of collecting library data, reading and recording, and managing research materials (John Creswell, 2014). The theory and reference itself are obtained by conducting a literature study review which is the basic foundation or main instrument for research practice. Literature studies are carried out by collecting various sources as new topics raised in research. All data that has been collected is then analyzed using descriptive analysis methods, namely by describing facts followed by analysis that not only illustrates, but also provides adequate understanding and explanation.

Results and Discussion

Fintech Peer to Peer Lending Sharia

1) Fintech

Digital development gives birth to various new technological products and systems that can make humans survive and survive by following these developments so as not to be left behind. Likewise, fintech is a term for financial methods that are carried out digitally as a form of evolution of digitalization of a new technology in the field of payment methods, consulting, measurement, analysis etc. of a financial product.

Fintech peer to peer lending itself is one of the products that emerged along with the emergence of several star up *e-commerce* digital companies which among them require fintech peer to peer lending as a back-up company needed when e-commerce requires expansion of space and requires more cash flow in running the wheels of its business. Backing*up* large e-commerce companies is just one of the many aims and objectives of the emergence of fintech peer to peer lending. Among other goals of the emergence and development of fintech peer to peer lending is to expand the space for several traditional cooperatives that want to expand the reach of customers and territories that are not limited to villages and between cities, because peer to peer lending fintech platforms in practice can reach all internet user communities throughout Indonesia and the world.

Fintech (financial technology) is part of technology, namely ways and methods of payment technology, consulting, measurement, analysis etc. to provide added value to old methods that already exist. It is an innovation in the field of financial services which in terminology is an elaboration between technology and finance. Bank Indonesia understanding financial technology is the result of a combination of financial services with technology that eventually changed the business model from conventional to moderate, which initially financial transactions were carried out face-to-face and carried a certain amount of cash in a payment, now financial transactions can be carried out easily and remotely that do not require meeting rooms (Alshater et al., 2022).

The Oxford Dictionary defines financial technology as computer programs and other technologies used to support banking and financial services. In addition to the above understanding, some experts state the understanding of financial technology is as follows: Hseuh (2017) stated that Fintech is a new financial service model developed through information technology innovation. Pribadiono (2016) on Financial Technology, which is a combination of technology and financial features or can also be interpreted as innovation in the financial sector with a touch of modern technology.

In *the book The Future of Fintech*, fintech according to Bernando Nicoletti (2017) is an ecosystem that does not only consist of start-up companies. The term fintech is often associated with sturtup because of their use of digital software for financial services which is a modern trend. However, not a few other companies are transforming their business by providing digital-based financial services.

Based on the definition above, it can be concluded that financial technology is a service created from a combination of digital-based technology and finance to support the financial circulation process to be faster and more accurate.

2) Peer to peer lending sharia

2. 1 Fintech peer to peer lending

According to OJK Regulation No.77/POJK.01/2016, fintech lending/peer-to-peer lending/P2P lending is a lending and borrowing service in rupiah currency directly between creditors/lenders (lenders) and debtors/borrowers (borrowers) based on information technology.

Fintech peer-to-peer lending itself is an online financial portal making it easier for lenders to provide loans directly to debtors accompanied by rewards in the form of interest and others. The reward results in fintech peer-to-peer lending itself are slightly different because the risk is also greater when compared to conventional loans via banks (Baihaqi, 2018).

In addition to creditors who get higher yields from one side, on the other hand creditors also get convenience in obtaining funds with requirements that are not too complicated when compared to conventional methods via banks or pawnshops etc. Also, the fast process in peer-to-peer lending fintech transactions adds its own positive weight that encourages investors as lenders and debtors as users to choose this fintech as an alternative that can replace the conventional loan system and may even one day become the main platform that gains great acceptance in the midst of people who need ease and speed in transactions. On the other hand, debtors also get credit application facilities directly to creditors without intermediaries when compared to loan services in conventional financial institutions.

From the understanding of OJK and this description, peer to peer lending means a loan method that connects directly individuals who need loan funds with other individuals who provide these loans, which eliminates the role of conventional financial institutions such as banks, or investment houses as third parties who usually play a major role in terms of conventional lending and borrowing systems.

Currently, platforms that provide online loans or fintech peer to peer lending have mushroomed everywhere up to hundreds that have been registered and supervised by the OJK.

To see more clearly about how peer to peer lending works is as follows:

a) Online membership registration. All Users (lenders and borrowers)
b) The Borrower applies for a loan.
c) P2P lending companies see, analyze and determine who borrowers are eligible and eligible to apply for loans, which includes an analysis of the borrower's risk level.
d) The borrower received will then be placed by the P2P lending company in the company's complete online listing window accompanied by comprehensive business information about the borrower's profile and risk level.
e) Investors who want to invest through P2P lending companies access P2P platforms to analyze and select borrowers who feel in accordance with their passion and analysis calculations.
f) Furthermore, these fintech P2P lending investors fund selected borrowers through fintech P2P lending platforms.
g) After the Borrower uses loans from investors from fintech P2P lending platforms, he is obliged to repay his loans according to the return schedule to the P2P lending platform.
h) And finally, P2P lending investors receive loan repayment funds while receiving yield rewards from borrowers through peer to peer lending fintech platforms.

2. 2 Fintech peer to peer lending sharia

Understanding Sharia peer to peer lending Fintech is also not much different from ordinary Fintech peer to peer lending, it's just that all institutions based on the sharia system must have their own peculiarities that distinguish it from non-sharia systems in several aspects such as (Lova, 2021):

a) *Product aspect*; A borrower when applying for a loan to a Sharia peer to peer lending fintech platform must apply for a halal business product, must not apply for a financing loan to finance a brothel, or finance a gambling business, beverage production that is religiously prohibited. Likewise, peer to peer lending fintech platforms must be observant in seeing and choosing and not passing if there are borrowers who apply for loans for business financing that are prohibited by religion. This is very different from ordinary sharia peer to peer lending fintech which only focuses on economic prospects. So actually fintech peer to peer lending sharia is part of fintech peer to peer lending with certain additional criteria while fintech peer to peer lending is not all included from Fintech peer to peer lending.
b) *The transactional aspect (contract)* used must also be sharia-based; Sharia peer to peer landing fintech companies must manage their platform transactions within the framework of sharia, either through the system of murobahah, ijaroh, mudhorobah etc., which provides guarantees to lenders and borrowers halal. For example, if you apply a fix amount profit while in the business world there is definitely no certainty in it will be for and lose, then what needs to be done by peer to peer landing Fintech companies must control all companies listed must be 99.99% will get fixed returns under any conditions so that if it is determined for example the return for investors is 18% per year, borrowers and entrepreneurs are also certain to have fix profits. Do not let profits only be given to investors while business actors experience losses which if this is done it will be contrary to sharia.
c) *The derivative aspect; such as when there is a one-performance or if* there is a non-smoothness in the stages must also follow the guidelines of the sharia system such as what if the borrower fails the business or which results in the emergence of one-performance which results in no profit or even exhaustion of capital. How the borrower business insurance system etc. must be regulated and adjusted to the sharia systems.

Fintech peer to peer landing sharia is an alternative for Muslim and non-Muslim communities who have limited time and funds and want financing and lending with patterns and systems that are different from conventional systems both in certain business investments that are in demand and vice versa in attracting investors for the business they are running.

Fintech peer to peer landing sharia is a mini market that brings together investors and borrowers who both want the sharia system as the basis and basis for their cooperation. Investment: Before investing or funding, it is necessary to consider the profit and loss of peer to peer lending platforms both sharia and non-sharia because large profits in it which usually range from 12-20% per year which is higher than investing in deposits, mutual funds etc. will certainly have a big risk as well.

Investing in peer to peer lending, both sharia and conventional, is suitable for investors with aggressive investor risk profiles. Some of the risks that may occur when investing in peer to peer, both sharia and conventional, are the possibility of the borrower defaulting until the borrower goes bankrupt or the money is taken away.

There are also several advantages in investing in peer to peer both sharia and conventional in addition to those already mentioned monthly installment option schemes for borrowers in returning their loan funds or it can be at the end of the tenor of the business is completed which is usually short tenor. For investors, they can also choose the length of the investment tenor and also the return on their investment in installments or once return on the maturity of their investment because in peer to peer both sharia and conventional, usually the investment tenor is not as long as in stocks that are quite long, usually in terms of peer to peer both sharia and conventional in just three months, six months, one year, or two years.

Investment funds from lenders cannot be withdrawn at will even though the lender is the owner of borrowed capital because investments cannot withdraw funds in the middle of the road. This means that you can only withdraw investment funds after the investment period is over, such as in stocks that cannot be canceled in the middle of the road.

Also, peer to peer lending companies, both sharia and conventional, have their own rules in disbursing their funds and backing up different insurances to protect their investors' funds from those with gold reserves, grand reserves, to insurance 80 percent of funds back which of course in peer to peer sharia must be adjusted to sharia rules based on ethics and rules that cannot deviate from it.

2. 3 Sharia financial industry

Sharia financial industry is a financial industry consisting of three main aspects namely Sharia banking - Sharia capital market - Sharia non-bank financial industry. The Sharia financial industry in Indonesia, despite its emergence more recently than other Islamic countries in the world, reported from the Islamic Research and Training Institute (IRTI) released the Islamic finance country report for Indonesia (IFCR). A series of reports presenting the condition and prospects of sharia finance in Muslim countries released that the emergence of the Indonesian IFCR report which has just entered the seventh series (2016). The first series is Tunisia (2013), the second is Turkey (2014), the third is Saudi Arabia (2014), the fourth is Malaysia (2015), the fifth is Oman (2015), and the sixth is Sudan (2016). but the development is also very rapid because Indonesia in addition to being a subject is also the largest consumer object in the world (Mardhiyaturrositaningsih, 2020).

In Indonesia has OJK (Financial Services Authority) as a tool under the mandate of law in Indonesia which has the authority to supervise and develop the financial services sector including the Sharia financial services industry. It is in this authority that everything originates and is supervised so that the sharia financial industry in Indonesia is expected to advance and become number one in the next few years.

As a supervisory institution, OJK has prepared risk-based supervisory infrastructure in the form of prudential regulations and a special supervision system for the sharia financial services industry. And as a developer and protector, OJK also prepares policies in the form of regulations that encourage the creation of an advanced and sovereign sharia financial industry.

OJK also imitates international standard systems in preparing infrastructure for supervision and development of the sharia financial industry in Indonesia. Its regulatory and supervisory standards follow credible internationally recognized standards in order to ensure that the Sharia financial industry has a well-established and stable capability in the face of future financial system turmoil.

After more than two decades since the birth of Bank Muamalat as the first Sharia bank in Indonesia, the Sharia industry and financial system have grown rapidly. Not only limited to sharia banking, but also has developed a non-bank sharia financial industry. such as sharia insurance, sharia pension fund, sharia finance company, sharia bonds (sukuk), sharia mutual funds, and other sharia capital market activities (Prayogo P. Harto; Muhammad Gunawan Yasni; Hendro Wibowo, 2020).

Please note that although it is not related to the theme of the sharia financial industry, the current sharia system is not limited to financial services even in the field has penetrated the real sector with the presence of several types of sharia businesses that include halal food which is encouraged in various seminars and halal labeling that has entered the MSME industry is also an extraordinary progress in this industry. including halal medicine, Islamic fashion, and even sharia tourism.

Because of this extraordinary development, OJK together with other sharia financial stakeholders pushed even faster with several booster campaigns such as the National Campaign I Love Sharia Finance to encourage the sharia financial industry to overtake the established conventional financial industry.

Quoted from OJK that as a movement of the *I Love* Sharia Finance National Campaign, it has a noble goal, which is to encourage collective awareness of all Sharia economic and financial stakeholders to understand and love Sharia financial products and activities in Indonesia, especially by synergizing and working hand in hand to develop the Sharia economy and finance in this country.

Challenges and Opportunities

The market share of the Sharia financial market as of June 2022 was recorded at 10.41% and there was a significant increase of 0.41% compared to the previous year which reached 10%. However, despite the increase, there is something that needs to be a common focus between regulators, stakeholders and interested business actors, namely the gap that is still quite wide when compared to conventional financial markets.

The results of the 2022 National Financial Literacy and Inclusion Survey (SNLIK), the Sharia financial inclusion index has only reached 12.12%, far behind the general financial index which reached 85.10%. The low market share of sharia finance indicates that public interest in the sharia financial industry is still very minimal when compared to their interest in the conventional financial industry.

Based on a report by The Royal Islamic Strategic Studies Center, Indonesia is the largest Muslim population in the world with a Muslim population of 237.56 million people (86.7% of the total population), but the lack of public acceptance and the Sharia financial inclusion index in Indonesia is certainly a big question mark.

The Indonesian Sharia Economic Masterplan (MEKSI) 2019-2024 is that the Indonesian government has a vision to become the leading Sharia economic center among other Muslim countries, even the target of financial inclusion target launched and wanted to be achieved by the Indonesian government is 90% in 2024. This is very far away if we are aware of the reality.

There are several factors that cause low public interest in sharia financial products and services, among others (Khaerul Umam, 2013):

a) The level of interest in sharia-based financial literacy is very low, which has only reached 9.14% in 2022. Based on ADB Institute research, financial literacy is an important factor that will indirectly encourage people to research, find out and act based on the literacy they have. The greater the public interest in sharia-based financial literacy, the greater the increase in sharia-based financial inclusion index.
b) Inovate and competitiveness of the sharia financial industry which is still second class compared to the conventional financial industry on all its sides. This can be seen from the services of sharia financial products, product prices and updates in the sharia financial industry even the offices are usually still not as wide as the offices of non-sharia financial institutions.

Even so, the growth and development of the sharia financial industry continues to grow at all times even globally it will be predicted that the global sharia financial industry is projected to still grow to USD 4.94 trillion from USD 3.05 trillion in 2025. This global growth trend is also the same as the growth of the sharia financial industry in Indonesia which will be in line with global growth. The portion and contribution of the above growths will be seen from various sides as follows:

a) In the Sharia capital market

Sharia capital market contributes to the market share of Sharia capital market by 17.37%. Which contributes the largest market share when compared to the contribution of IKNB Sharia to the new national financial market share of 4.25% and Sharia banking which although slightly higher than the non-bank financial industry which has reached 6.74 is still far behind when compared to the market share (market share) of the Sharia capital market of 17.37% (Khaerul Umam, 2013; Santyaningtyas, A. C. and Dina, 2019).

b) In sharia banking

The digitalization of Sharia banking which is equivalent to conventional banking which relatively does not require much capital when compared to opening a traditional branch that requires expensive space and human resources helps Sharia banks in expanding the reach of their customers so that to catch up with the number of outlets, it is enough to add maximum service in the features of the Sharia banking fintech portal. This must be done by Sharia banks because of changes in customer behavior who no longer like to visit public development service outlets as evidenced by the number of bank service branches which has dropped dramatically from 32,366 branches to 25,695 branches until May 2022.

Since the enactment of Law No.21 of 2008 concerning Sharia Banking issued on July 16, 2008, the development of the national Sharia banking industry increasingly has an adequate legal basis and will encourage its growth even faster with its impressive development progress, which has reached an average asset growth of more than 65% per year in the last five years, so with this significant growth it is expected that the role of the Sharia banking industry in supporting the national economy will be more evident (Gita Danupranata, 2013).

c) *In the non-bank financial industry (IKNB)*

The Chairman of the Indonesian Sharia Insurance Association (AASI) explained that the outlook for sharia insurance in 2021 is much better than in 2020. This is shown by Risk Based Capital (RBC) and solvency is quite good, and when viewed in terms of asset growth reached 0.67%, and gross claims amounted to 68.02%.

This growth in Sharia insurance is also accompanied by growth in other non-Sharia bank institutions such as Sharia Pension Fund Institutions, Sharia Financing Institutions, Sharia Special Financial Institutions and Sharia Microfinance Institutions, and Sharia Financial Technology (Fintech).

Based on the 2021 Sharia Indonesia Financial Development Report, Indonesia's total sharia financial assets in 2021 were IDR 2,050.44 trillion and the portion of sharia IKNB assets from the total assets was 5.90%. As of 2021, the total assets of Sharia IKNB reached IDR 120,883 billion with asset growth of 3.90%. In this IKNB there is peer to peer lending sharia which includes institutions whose contribution although not as large as sharia insurance for example but still it is included in a chain that is not separated in the IKNB section which contributes to the growth of the sharia financial industry in general both in Indonesia and globally.

Meanwhile, in terms of market share, the contribution of IKNB Sharia to the new national finance amounted to 4.25% which came from 59 sharia insurances, 33 sharia finance companies which included peer to peer lending sharia, 6 venture capital, 10 sharia pension funds, and 105 other sharia IKNBs.

In addition to peer to peer lending, sharia contributes to the development of sharia assets and market share, it also contributes significantly in supporting the development of the sharia-based Micro, Small, Medium Enterprises (MSMEs) industry, which then together with MSMEs can encourage the development of the sharia peer to peer lending industry to be more advanced in services and wider range of services. When IKNB in this case peer to peer lending sharia and others encourage the rate of economic growth, vice versa economic growth will increase demand for the IKNB Sharia financial sector.

Various conveniences in registration and transactions in fintech peer to peer lending sharia that can be accessed by all groups will make this type of fintech attractive to the lower middle class who are more willing to take risks in terms of their investment. Also, the high returns provided by IKNB fintech peer to peer lending sharia for investors can guarantee the sustainability and improvement of the peer to peer lending fintech industry in front of its users from time to time.

The approach taken by Sharia peer to peer lending fintech without collateral encourages and boosts the economic growth of strata of society who do not have many assets that can be used as collateral which will further make Sharia peer to peer lending fintech an alternative to financing people with certain conditions which in fact are the majority group. In addition to the non-collateral side applied in the practice of fintech peer to peer lending sharia, it is also in terms of consumer protection in this case the protection of investments made by lenders in fintech peer to peer lending sharia mostly contains different insurance guarantees that are cooperated with fintech peer to peer lending sharia organizers in order to grow a sense of security for lenders who finance borrowers. And this is very influential for investment actors to be willing to invest their wealth in droves in the sharia peer to peer lending fintech portal so that in practice sharia peer to peer lending fintech is not only carried out by three parties; Sharia peer to peer lending lenders, borrowers and fintech providers plus Sharia insurance institutions are partnered if the guarantee is made by an outside party.

The growth of fintech peer-to-peer lending sharia has now grown rapidly and is easily accessible to people who still have difficulty obtaining financing funds, especially for medium businesses in MSMEs who need capital to develop their businesses. In fact, not only MSME players, fintech peer-to-peer lending sharia can also provide financing services for those who need funds for education and health. The reach of so many lenders and borrowers makes fintech peer to peer lending sharia very popular for the investor community who dare to take a little risk and borrowers who increasingly vary their needs.

The sharia side is also a plus and has become the basis of the obligation of the practice in fintech peer-to-peer lending sharia, where it can guarantee the public is safe from transactions containing riba and gharar that will be obtained if the public transacts in conventional financial institutions.

The superior distinctiveness values from profit sharing, non-collateral, guaranteed in insurance and sharia in fintech peer-to-peer lending sharia will be able to grow and develop itself massively where quoted from the official OJK website (ojk.go.id), As of January 5, 2023, the total number of fintech peer-to-peer lending or fintech lending providers licensed at OJK is 102 companies. Of these 102, there are sharia-based ones which will further contribute and influence the outlook for the development of the sharia financial industry globally.

Fintech peer to peer (P2P) lending Indonesia is now growing, including sharia-based. Looking at the databox mentioned that P2P Lending in general recorded the most rapid development among other financial technology (fintech) which is very mushrooming in the current digital era, which when recorded we will find that there are 4.3 million borrowers and 207,506 lenders quoted from the moneysmart.id site.

OJK itself as a financial services authority in Indonesia that is responsible for supervising and regulating all financial business sectors including digital business sectors such as fintech lending, both sharia-based and non-sharia based, also helps growth not only as a regulator but also participates in the field in conducting socialization processes to related parties such as in consumer protection issues. Where the financial business organizers, in this case fintech peer to peer lending, must ensure that consumer data is not lost or played with.

Young intellectuals who are more internet technology literate are the market share of fintech peer to peer lending sharia even though they are limited in that they do not have much capital to invest. Therefore, fintech peer to peer lending sharia provides opportunities for young people to start investing from Rp 100 thousand.

Because investing in fintech peer to peer lending sharia can start from Rp 100 thousand, this investment has succeeded in breaking that to invest requires large capital. This is where the financial fintech peer to peer lending sharia and fintech peer to peer lending in general can grow the wheels of the Indonesian economy which is distinctive in terms of ownership of many MSMEs which is very different from the economic typology of other countries

Conclusion

Product innovation and renewal is a good way of survival in any industry including the sharia financial industry. Fintech peer to peer lending sharia if you want to survive and advance in this industry must be able to innovate and develop both in service, the breadth of user reach and upgrading the service system so that such things will play a key role in the survival of a financial product to always be accepted in society. Like the current atm debit card which has penetrated into electronic saving cards at ATM machines that make it easier for customers who want to save without having to go to a bank teller who requires a queue for some time.

Currently, all people also have the same opportunity to try to create their own financial freedom by investing since a young age or even establishing a Sharia peer to peer lending fintech startup from scratch so that it will move up to become a major force in the Sharia financial industry.

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