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STRATEGY TO ELIMINATE RIBA IN ETHICAL FINTECH PRACTICES

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Abstrak

Perkembangan financial technology (fintech) syariah merupakan respons terhadap kebutuhan layanan keuangan digital yang selaras dengan prinsip-prinsip etika dan hukum Islam. Namun, globalisasi sistem keuangan digital juga membawa risiko infiltrasi unsur riba ke dalam model bisnis fintech yang belum sepenuhnya terstandarisasi secara syariah. Penelitian ini bertujuan untuk mengidentifikasi dan menganalisis strategi eliminasi riba dalam praktik fintech etis di Indonesia. Metode yang digunakan adalah studi pustaka dengan pendekatan deskriptif-kualitatif terhadap literatur, regulasi, dan praktik empiris terkini. Hasil kajian menunjukkan bahwa strategi eliminasi riba dalam fintech etis dapat dilakukan melalui: (1) integrasi akad-akad syariah secara struktural dalam desain produk; (2) pemanfaatan teknologi smart contract dan blockchain untuk memastikan kepatuhan syariah otomatis dan transparan; serta (3) penguatan peran Dewan Pengawas Syariah (DPS) dalam inovasi dan pengawasan model bisnis. Temuan ini menunjukkan bahwa strategi eliminasi riba dalam fintech etis memerlukan sinergi antara kerangka hukum, teknologi digital, dan otoritas syariah.
Kata Kunci : riba, fintech etis, syariah digital, strategi eliminasi, pengawas syariah.

Abstract

The development of Islamic financial technology (fintech) responds to the need for digital financial services that align with Islamic legal and ethical principles. However, the globalization of digital finance also brings the risk of riba infiltrating business models that lack standardized shariah compliance. This study aims to identify and analyze strategies to eliminate riba in ethical fintech practices in Indonesia. Using a qualitative-descriptive approach based on literature and current regulatory analysis, the study found three main strategies: (1) integrating shariah-based contracts into product design; (2) utilizing smart contract and blockchain technology to ensure automatic and transparent shariah compliance; and (3) strengthening the role of the Shariah Supervisory Board (SSB) in product innovation and oversight. The findings suggest that riba elimination in ethical fintech requires synergy between legal frameworks, digital infrastructure, and religious authority.
Keywords: *riba, ethical fintech, digital shariah, elimination strategy, shariah supervision.*

1. Introduction

The development of information and communication technology has fundamentally changed the face of the global financial sector. The emergence of digital innovations such as financial technology (fintech) has provided easy access to financial services quickly, efficiently, and cheaply. In Indonesia, the growth of fintech has been very rapid in recent years and has also encouraged the birth of sharia fintech services as an alternative based on Islamic values. Sharia fintech is not only present as a financial product, but also as a solution for the Muslim community who crave halal, ethical, and fair financial services. (Ascarya, 2021)

However, behind these opportunities, there are serious challenges in the form of the risk of deviation from sharia principles in fintech operations, especially related to usury practices. Usury is one of the most prohibited elements in Islamic economics, and its existence is often invisible in the digital financial system. The fintech business model adopted from the conventional system carries the risk of interest integration, both in the form of explicit interest and implicit costs in digital transactions. This requires extra attention in the product design process and the validity of the contract. (Meera, 2020)

Globalization has also accelerated the penetration of the capitalist financial system into various countries, including Indonesia. The flow of capital, technology, and business models from western countries that are generally based on interest are very dominant in influencing the direction of fintech industry policies and practices. In this context, sharia fintech faces a dilemma between following global trends to survive economically, or maintaining sharia principles even with the risk of slower growth. This challenge makes the issue of eliminating usury increasingly urgent to be addressed systemically. (Zulkhibri, 2019)

Usury in fintech does not always appear explicitly as in loan interest, but can take other forms such as markups without a contract, exploitative late penalties, or investment mechanisms with fixed returns without risk. Such practices, if not strictly monitored, have the potential to blur the boundaries between halal and haram in digital financial transactions. Therefore, strengthening sharia integrity in fintech is not only the task of regulators, but also the responsibility of academics, industry players, and the user community. (Dusuki & Abdullah, 2007)

In addition to technical challenges, many people and industry players still do not have in-depth literacy about sharia contracts in the digital context. As a result, many products that at first glance appear to be sharia, but in substance are not in accordance with the principles of fiqh muamalah. This is exacerbated by limited human resources, especially in terms of understanding technology and sharia simultaneously. A cross-disciplinary approach is needed to ensure that digital transformation remains in line with maqashid sharia. (Hasan & Aliyu, 2018)

The Indonesian government through OJK, BI, and DSN-MUI has issued a number of regulations and fatwas to support the development of sharia fintech. However, implementation in the field still faces obstacles. Several platforms still use inappropriate contracts or have not even clearly defined contracts. This condition shows a gap between normative regulations and practical implementation, which has the potential to open up loopholes for hidden usury practices in a system that appears "halal". (DSN-MUI Fatwa No.117/2018)

One of the important components in ensuring sharia compliance is the role of the Sharia Supervisory Board (DPS). However, the involvement of DPS in the fintech industry is currently still minimal, especially in the digital product design stage. Many DPS only function administratively without being actively involved in supervising technology and transaction flows. In fact, the complexity of digital systems requires an understanding of more than just the fiqh aspect, but also literacy in algorithmic logic and application structure. (OJK, 2021)

Technological innovations such as smart contracts and blockchain actually open up opportunities to strengthen sharia compliance systematically. With smart contracts, the implementation of contracts can be automated according to predetermined sharia parameters. Meanwhile, blockchain can create a transparent and non-manipulable audit system, which is very much in accordance with the principles of justice and openness in Islam. Therefore, technology is not only a challenge, but also a solution in eliminating usury practices digitally. (Meera, 2020; Nurkholis & Rachmawati, 2019)

The strategy for eliminating usury in ethical fintech must be based on synergy between sharia principles, utilization of technology, and strengthening institutional structures. A partial and symbolic approach will only produce products that formally appear sharia-compliant, but in substance may not necessarily be compliant. Therefore, planning and supervision must be carried out from the early stages, not only in the final phase of implementation. This requires a renewal of mindset in designing a digital financial ecosystem based on Islamic values. (Zulkhibri, 2019; Fitria & Hartanti, 2018)

Based on this background, this article aims to examine in depth the usury elimination strategy in ethical fintech practices with a conceptual approach and literature analysis. This study raises three main aspects: integration of sharia contracts in product design, application of sharia-compliant technology, and strengthening the role of DPS. It is hoped that the results of this study can provide theoretical and practical contributions in the development of sustainable digital sharia businesses that are free from usury elements. (Ascarya, 2021; Huda & Nasution, 2016)

2. Research Methods

This study uses a library research approach with a qualitative descriptive method to explore, analyze, and present various theories, regulations, and scientific views on riba elimination strategies in sharia fintech practices in the context of sharia digital business. This approach was chosen because it is in accordance with the nature of conceptual research that does not require primary data collection, but rather relies on secondary data from various trusted sources such as scientific books, national and international journals, articles, laws and regulations, and fatwas of the National Sharia Council. This study aims to construct a strong theoretical understanding as a basis for analyzing the developing phenomena in sharia-based digital financial practices.

Data collection was carried out by selecting relevant and credible sources, then analyzed using content analysis techniques. This analysis aims to find patterns, main issues, and gaps that emerge in previous literature related to usury practices in the era of globalization. This method allows researchers to present systematic, logical, and in-depth studies of developing concepts, and produce theoretical syntheses that can provide academic and practical contributions to the development of Islamic fintech in Indonesia. This approach is in line with the qualitative research method based on literature studies as explained by Sugiyono

3. Result And Discussion

Globalization and Usury Risks in Ethical Fintech

Economic globalization has accelerated the flow of technology and capital across countries, including in the financial sector. Fintech as part of the industrial revolution 4.0 utilizes digital platforms to reach the wider community with faster and more efficient financial services. However, the emergence of the fintech business model largely comes from a capitalist framework oriented towards maximum profit, which often ignores moral values and financial ethics, including the prohibition of usury (Hakim, 2023).

In the context of Islamic fintech, globalization presents serious challenges because the adopted technology model is often based on an interest or usury system. This system can be disguised in the form of a fixed margin, disproportionate late penalty, or a promise of a fixed investment return without risk. Many fintech companies in Indonesia use APIs (Application Programming Interfaces) or white-label software from abroad, which are not necessarily compatible with Islamic principles. This places Islamic fintech at a crossroads between global adaptation and steadfastness of principle (Hasan & Haron, 2021)

Furthermore, fintech business models that rely on data analytics, algorithmic credit scoring, and machine learning can introduce systemic bias in risk assessment, which can ultimately create injustice (‘gharar’) and exploitation (‘zulm’) against consumers. Without algorithmic design that is in accordance with maqashid sharia, the system can treat users only as economic objects, rather than as partners in fair transactions (Ali & Oseni, 2019).

The phenomenon of globalization has also caused domestic regulations to have difficulty keeping up with the very rapid dynamics of the industry. Although the OJK and DSN-MUI have issued regulations related to sharia fintech, many technical gaps have not been explored in detail. As a result, platforms that claim to be sharia may escape supervision due to the absence of binding technical standards. This gap between normative law and technological practice has the potential to pave the way for hidden usury practices in digital systems that appear halal (Rahman, 2020).

Therefore, a critical approach is needed in adopting global models into the national sharia fintech system. Adaptation should not be just copy-pasting technology, but must go through the process of Islamization of the system and sharia verification of all business elements (Zulkhibri, 2019). Adapting digital business models to Islamic values is not only a normative necessity, but also a strategy to create a sustainable and equitable digital financial ecosystem.

Usury Elimination Strategy

a. Integration of Sharia Contracts in Produk Desaign

The implementation of proper sharia contracts is a fundamental foundation in creating ethical fintech products that are free from usury. Contracts such as murabahah (sale and purchase), mudharabah (business partnership), musyarakah (joint capital), ijarah (rental), and wakalah (representation) must be used as the main framework in designing products and transactional flows (Usmani, 1998). The selection of contracts should not be done carelessly or only based on technical convenience, but must consider the suitability of the transaction objectives and the potential risks that arise.

Unfortunately, in practice in the field, many sharia fintech companies still use the term akad as a mere cosmetic. They include the akad in the documentation but do not implement it in the system. For example, a platform that claims to use the murabahah contract, but does not have transparency of the cost price and margin, or there is no legal transfer of ownership of the goods, so that it resembles conventional interest-bearing credit. This shows the need for a deep understanding of the essence and practice of the contract, not just the term fiqh (Meera, 2020).

For this reason, it is important to conduct cross-disciplinary training involving muamalah fiqh experts and technology developers. This collaboration can produce digital product design standards that are not only valid in fiqh, but also technologically feasible and efficient for consumers (Fitria & Hartanti, 2018). In addition, the documentation of the agreement must be codified in the form of a digital contract that can be read by the system and audited by regulators and DPS.

Furthermore, each contract must have a clear transactional flowchart and be integrated into the application architecture. Processes such as price offers, acceptance of contracts, delivery of goods or funds, and return of profits must be documented systematically and transparently. This integration can be realized through sharia-based application design, not just a modified conventional application (Rabbani et al., 2020).

Finally, there is a need to establish a Shariah Product Lab as a research and validation institution for contract-based product design. This institution can collaborate with universities, Islamic financial institutions, and regulators to ensure that every fintech product innovation goes through a sharia curation process from the start. This is a form of proactive prevention against usury infiltration in digital financial innovation (Ascarya, 2021).

b. Ultilization of Smart Contract and Blokchain Technology

Smart contracts are an innovation that allows for automatic execution of agreements based on previously agreed parameters. In the context of Islamic fintech, smart contracts can eliminate the need for human intermediaries in the implementation of contracts, thereby reducing the risk of manipulation and violation of sharia. For example, in an ijarah contract, a smart contract can automatically stop access to services if rental payments are not made on schedule, without the need for third-party intervention (Rais, 2023).

In addition to automation, smart contracts also bring transparency in the implementation of contracts because all terms and conditions are recorded digitally and cannot be changed unilaterally. This is very relevant to the principle of justice in Islam which requires all parties to know their rights and obligations. To ensure sharia compliance, smart contracts must be prepared based on fiqh provisions approved by the DPS, and can be audited by sharia auditors.

Blockchain, on the other hand, provides a recording system that is immutable and can be audited at any time (transparent ledger). In the context of sharia, blockchain can be used as a means of recording contracts, transactions, and profit sharing in mudharabah or musyarakah investments (Alsadi, 2025). Thus, there is no room for gharar practices or ambiguity that can be a gateway for usury.

The use of blockchain can also overcome the trust issue that is often an obstacle in long-distance transactions. In wakalah or salam-based transactions, where payment is made in advance, blockchain can guarantee that the party entrusted acts according to the contract and the transaction is recorded permanently. This can reduce trust costs and accelerate Islamic financial inclusion (Ahmed, 2019).

However, the implementation of this technology requires supporting regulations and infrastructure. A sharia sandbox facilitated by OJK or BI is needed to test smart contract and blockchain-based applications in a sharia context before being released to the market. Without an adaptive legal framework, the great potential of this technology could be hampered or misused.

c. Penguatan Peran Dewan Pengawas Syariah (DPS)

The Sharia Supervisory Board (SSB) is the last line of defense in ensuring that all sharia fintech activities are carried out in accordance with Islamic principles. Unfortunately, the role of the SSB is often symbolic and administrative, such as only signing certifications without being involved in the digital product design process. In a complex fintech ecosystem, this kind of approach is no longer sufficient (Rahman, 2020).

To answer these challenges, DPS needs to have cross-field understanding, especially in the fields of information technology, financial information systems, and algorithmic logic (Hasan & Haron, 2021). For example, in assessing the validity of a digital scoring system, DPS must understand how data is processed, how algorithms work, and the potential biases that arise. Without digital literacy, DPS will have difficulty detecting the potential for usury hidden in modern technology systems.

DPS also needs to be involved from the product design stage to quality assurance, not just in the final phase. Their presence as strategic partners in innovation can prevent the formation of products that are only "sharia compliant on paper", but not substantial. With good collaboration, DPS can play a role in compiling the logic of contracts, testing sharia user flows, and developing sharia education features in applications (Soemitra, 2025).

It is also necessary to establish a national DPS fintech forum that can be a forum for exchanging experiences, case studies, and updating contemporary fiqh knowledge. This forum can collaborate with sharia fintech associations and Islamic technology research institutions, and be equipped with a continuous online training platform. This will improve the quality of supervision and strengthen the network of sharia supervisors in Indonesia.

Finally, the involvement of the DPS must be supported by regulations that require periodic transparency of sharia reports and access to technology-based audit systems. The DPS needs to be given access to the backend system to review the progress of contracts and transactions in real time. If necessary, the DPS function is strengthened by an independent external supervisory institution to maintain the accountability and objectivity of sharia supervision in fintech (Hui et al., 2019).

4. Conclusion

The strategy of eliminating usury in ethical fintech practices cannot be done partially and symbolically. Synergy is needed between the integration of sharia contracts in product design, the use of technology such as smart contracts and blockchain, and strengthening the role of the Sharia Supervisory Board (DPS) from the early stages. The main challenge comes from the infiltration of conventional systems into digital architecture that has not been fully Islamized. Therefore, the approach to eliminating usury must be systemic, interdisciplinary, and sustainable. Strong regulation and high digital sharia literacy are absolute prerequisites. Only in this way can the sharia fintech ecosystem grow substantially and in accordance with maqashid.

In the future, the development of sharia fintech must be directed at creating a digital financial system that is not only formally halal, but also fair, transparent, and inclusive. Emphasis on the quality of contracts, data transparency, and accountability of supervision will be key in building public trust in Islamic financial services. In addition, investment is needed in research and development of halal technology that is in accordance with sharia principles. The academic world, regulators, and industry need to collaborate closely to form national standardization. With an integrated usury elimination strategy, sharia fintech can be a superior alternative amidst digital economic disruption.

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