



Legal Protection For Investors In Sharia Digital Securities In Indonesia: Regulatory And Implementation Challenges

Diana Setiawati¹, Ridho Tri Wicaksono², Aditya Yogi Kurniawan³, Fathur Rohman Dani Prasetyo⁴, Shodiq Abdul Lathif Majid⁵, Muhammad Ilham Fadhila⁶, Andika Rakaputra Purnomo Adi⁷

1, 2, 3, 4, 5, 6, 7 Fakultas Hukum dan Ilmu Politik, Universitas Muhammadiyah Surakarta, Sukoharjo, Jawa Tengah, 57102, Indonesia

* ds170@ums.ac.id, C100210378@student.ums.ac.id, C100230077@student.ums.ac.id, C100230079@student.ums.ac.id, C100230095@student.ums.ac.id, C100230121@student.ums.ac.id, C100230131@student.ums.ac.id

Article	Abstract
<p>Keywords: <i>Legal protection, digital securities, sharia finance, OJK regulation</i></p> <p>Article History Received: 19/12/2025; Reviewed: 20/12/2025; Accepted: 29/01/2026; Published: 31/01/2026;</p>	<p><i>The transformation of financial technology (fintech) in Indonesia's Islamic capital market has created vast opportunities for financial inclusion, but has also given rise to new legal risks related to the validity of electronic documents, personal data security, and the integrity of Islamic contracts. Risks such as digital identity forgery, document manipulation, and cyberattacks can undermine public trust and hamper the sector's growth if not accompanied by adequate legal protection. This study uses a qualitative approach with a normative juridical method that focuses on reviewing regulations and legal literature related to the protection of Islamic digital securities investors in Indonesia. Data were collected through a literature review of relevant laws and regulations, authority regulations, and fatwas, which were then analyzed descriptively using content analysis techniques to identify protection mechanisms and barriers to their implementation. The results reveal that investor protection mechanisms are built through three integrative layers: regulatory (based on the ITE Law, the PDP Law, and the DSN-MUI Fatwa), technological (through KYC systems, encryption, and digital signatures), and sharia (through the role of the Sharia Supervisory Board). However, the effectiveness of this protection remains hampered by weak digital identity verification, sophisticated cybersecurity risks, regulatory fragmentation between the Financial Services Authority (OJK), the Indonesian Ulema Council (DSN-MUI), and the National Sharia Agency (BASYARNAS), and limited technological literacy among sharia supervisors. In conclusion, strengthening legal protection requires policy harmonization across authorities and the development of unified national guidelines that combine digital security standards with sharia audit standards that are adaptive to future technological innovations such as blockchain and national metadata integration.</i></p>

strengthening DPS competence, enhancing inter-agency regulation, and developing adaptive legal frameworks responsive to technological innovation in Islamic finance.



Copyright ©2021 by Author(s); This work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License. All writings published in this journal are personal views of the authors and do not represent the views of this journal and the author's affiliated institutions.

INTRODUCTION

The development of financial technology (fintech) over the past decade has significantly transformed the landscape of the financial services sector, including the sharia investment industry¹. Digitalization enables transactions to be conducted quickly, efficiently, and without geographical limitations. In the context of the sharia capital market, digital innovations such as Islamic securities crowdfunding, blockchain-based sukuk, and electronic sharia investment agreements open up new opportunities for the public to invest more easily and inclusively. (NUNU digital fintech provides solutions that can bridge the gap in financial access, increase financial inclusion, and provide efficient and transparent services in accordance with Sharia principles². However, these positive developments are not without emerging legal risks, particularly regarding the validity of electronic documents, investor data security, and legal certainty regarding digitally executed sharia agreements. Because digital transactions rely on the authenticity of electronic documents and digital identities, legal protection for investors is crucial. Without adequate protection, these innovations can create legal uncertainty and harm investors, thus hampering the development of the sharia capital market in Indonesia.

Information technology have also driven innovation in the service sector, including banking. This has given rise to several risks, such as identity forgery, electronic document manipulation, personal data leaks, and cyberattacks targeting digital investment platforms³. Digital investors face more complex legal risks than conventional investors because digital transactions rely on systems, algorithms, and cloud storage that are vulnerable to manipulation or hacking. These risks are even more sensitive in the Sharia context, as even minor changes to the content of a document can invalidate the contract under Islamic law. Furthermore, the validity of electronic signatures, the legality of digital agreements, and the integrity of

¹ Wahyudi, H., Tubarat, C. P. T., Rodliyah, N., Kusnadi, A., & Leny, S. M. (2025). The nexus of crowdfunding and e-wakaf to islamic fintech in Indonesia in the era of industrial revolution 5.0. *Journal of Ecohumanism*, 4(1), 208–219.

² NUNUNG, S. N., & AUNUR, R. F. M. (2024). Transformasi ekonomi Islam melalui solusi fintech digital: Jalan menuju pertumbuhan berkelanjutan. *ANGGARAN: JURNAL PUBLIKASI EKONOMI DAN AKUNTANSI Учедумелу: Asosiasi Riset Ilmu Manajemen Dan Bisnis Indonesia*, 3(1), 89–100.

³ Siregar, H., Dinia, J., & Septiani, R. (2021). Analisis manajemen risiko terhadap penggunaan e-banking (mobile banking dan internet banking) pada Bank BNI Syariah. *JMB: Jurnal Manajemen Dan Bisnis*, 10(1).

Sharia documents are issues that must be institutionalized through strong regulations. Indonesia has regulated electronic documents through the Electronic Information and Transactions Law (ITE) and the Personal Data Protection Law, but their implementation in the context of digital Sharia securities remains suboptimal. As a result, legal protection for investors has not kept pace with the acceleration of technological innovation in the Sharia capital market sector.

While most previous research has discussed the general development of Islamic fintech and the opportunities for digitalization in the Islamic financial sector, few studies have specifically analyzed legal protection for investors in Islamic digital securities, particularly from an Indonesian regulatory perspective. This sector shows significant potential, the development of the Islamic financial industry in Indonesia faces various challenges, particularly related to applicable regulations⁴. This lack of coordination between authorities has resulted in the lack of unified guidelines on how digital documents are verified, how digital Islamic disputes are resolved, and how authorities assess the Sharia compliance of electronic documents. This regulatory gap could potentially harm investors in the event of a dispute. Furthermore, previous research has not yet addressed the role of the Sharia Supervisory Board (DPS) in overseeing digital systems, given that many DPS are unfamiliar with technologies such as blockchain and smart contracts, which are beginning to be used in the Islamic digital capital market ecosystem. This situation underscores the need for in-depth research to address this gap.

This research has the following objectives: First, it analyzes how legal protection for investors in digital sharia securities is implemented within the Indonesian regulatory system, including its relationship to the ITE Law, the PDP Law, the OJK Regulation on crowdfunding services, and the DSN-MUI fatwa. Second, this study aims to identify and analyze the obstacles and challenges that arise in the implementation of legal protection for investors in digital sharia instruments. This analysis covers issues of digital identity verification, the authenticity of electronic documents, the capacity of the DPS (Sertifikat Syariah) in conducting technology-based sharia audits, the security of digital platform systems, and investor literacy levels. This research is expected to contribute academically to the development of literature on digital sharia investor protection and provide practical recommendations for regulators, platform operators, and sharia supervisory institutions in formulating policies that are more adaptive to technological developments. Therefore, the results of this study can serve as a foundation for strengthening legal certainty and increasing public trust in digital sharia securities instruments in Indonesia.

METHOD

This research method uses a qualitative approach with normative juridical methods,

⁴ Mintarsih, M. (2025). Tantangan Regulasi dalam Pengembangan Industri Keuangan Syariah di Indonesia. *AL-AMWAL: Jurnal Ekonomi Dan Perbankan Syariah*, 3(1), 19–24.

focusing on a review of regulations and legal literature related to legal protection for investors in Sharia-compliant digital securities in Indonesia. Data was collected through a literature review of legislative documents, fintech regulations, and related scientific references. Then, a content analysis was conducted to identify legal protection mechanisms and barriers to their implementation. The results of the analysis are presented descriptively in accordance with the research problem formulation.

RESULTS AND DISCUSSION

Forms and Mechanisms of Legal Protection for Sharia Digital Securities Investors in Indonesia

Legal protection for investors in Islamic digital securities consists of three layers: regulatory protection, technological protection, and sharia protection. These three layers work together to ensure that digital transactions are not only legally valid but also technologically secure and compliant with sharia principles. This protection structure is necessary because Islamic digital securities transactions rely entirely on electronic documents, digital data processing, and information technology systems. Initially, investors enter the digital ecosystem through a registration and identity verification process, often referred to as Know Your Customer (KYC). The KYC process provides initial legal protection through the prevention of fictitious identities, money laundering, and protection against the risk of terrorism financing.

The KYC process, when properly implemented, helps reduce financial fraud by restricting access to the banking system by malicious actors⁵. To achieve this, platform providers utilize various verification technologies, such as facial recognition, liveness detection, OCR, and certified electronic signatures. Furthermore, legal protection is provided through the regulation of the validity of digital documents. Indonesia has regulated the validity of electronic signatures and digital agreements through the Electronic Information and Transactions Law (UU ITE) and the PP PSTE. Digital document authentication is very important as long as the process and product comply with statutory regulations, one of which involves the authentication process⁶. In digital sharia investment, document authenticity becomes increasingly important because small changes in the contract can change the sharia legal status of a transaction. The next legal protection relates to information transparency regulations. The Financial Services Authority (OJK) requires providers to

provide risk explanations, issuer information, contract structures, and profit or loss simulations. Transparent and high-quality financial disclosures build trust

⁵ Hannan, M. A., Shahriar, M. A., Ferdous, M. S., Chowdhury, M. J. M., & Rahman, M. S. (2023). A systematic literature review of blockchain-based e-KYC systems. *Computing*, 105(10), 2089–2118.

⁶ Pramesti, N. A., Junarto, R., & Farid, A. H. (2023). Land Archive Authentication as a Result of Media Transfer at the Land Office. *Marcapada: Jurnal Kebijakan Pertanahan*, 3(1), 1–15.

among investors, influencing their sentiment towards a particular company's shares⁷. In addition to regulatory protection, there are technology-based safeguards. Platform security systems such as end-to-end encryption, server security, SSL certificates, smart contract auditing, and cybersecurity testing are essential components. Emphasize that timely and effective cyberattacks can generate significant profits, which is why large companies and governments invest heavily in this area⁸.

On the sharia side, protection is provided through the role of the Sharia Supervisory Board (DPS). In the digital context, the DPS must ensure that the system does not contain elements of gharar, riba, or maysir. The DPS must also verify that digital agreements cannot be changed unilaterally once signed. Thus, the legal protection mechanism for Sharia-compliant digital investors is hybrid, combining positive legal regulations, digital security technology, and Sharia supervision. Sharia compliant fintech services provide convenience for the public, allowing them to quickly, easily, and efficiently access funding⁹.

The forms and mechanisms of legal protection for Sharia-compliant digital securities investors include regulatory protection (the ITE Law, the PDP Law, the POJK, and the DSN-MUI fatwa), technological protection (KYC, electronic signatures, encryption, smart contracts, and security audits), and Sharia protection (agreement supervision by the DPS). These mechanisms provide a basic framework for protection, but their effectiveness depends heavily on technological implementation and coordination between authorities. Thus, legal protection exists formally, but its implementation still requires strengthening¹⁰.

Obstacles and Challenges in Implementing Legal Protection for Sharia Digital Securities Investors

The first obstacle lies in digital identity verification. Many identity documents uploaded by investors are of low quality, blurry, or substandard. Mismatched document formats are a major cause of KYC verification failures. Furthermore, the proliferation of digital identity fraud apps makes the verification system vulnerable to fraud. Modification of digital document content is also a challenge. Unprotected digital documents can be

modified undetected. For Sharia-compliant transactions, even small changes to the contract can invalidate the contract due to the non-fulfillment of the contract's terms and conditions. The Sharia Supervisory Board (SSB) has significant authority to ensure the Sharia-compliant validity of digital

⁷ Yoro, M. (2024). Impact of financial reporting transparency on investor decision-making. *American Journal of Accounting*, 6(1), 25–36.

⁸ Aslan, Ö., Aktuğ, S. S., Ozkan-Okay, M., Yilmaz, A. A., & Akin, E. (2023). A comprehensive review of cyber security vulnerabilities, threats, attacks, and solutions. *Electronics*, 12(6), 1333.

⁹ Yuspin, W., & Fauzie, A. (2023). Good Corporate Governance In Sharia Fintech: Challenges and Opportunities In The Digital Era. *Quality-Access to Success*, 24(196).

¹⁰ Waldelmi, I., Aquino, A., & Listihana, W. D. (2023). PELATIHAN DASAR DEWAN PENGAWAS SYARIAH (DPS) UNTUK LEMBAGA KEUANGAN SYARIAH. *Jurnal Ilmiah Pengabdian Kepada Masyarakat*, 2(3), 128–141.

documents. However, many SSBs lack technical understanding of blockchain, encryption, or smart contracts. If the SSB only examines the text of the contract without understanding the technical system, Sharia protection is partial. The SSB's limited involvement in the system design process is also problematic. They often only provide final approval without engaging in security testing or digital integrity verification.

This weakens Sharia oversight, and regulatory fragmentation is a major obstacle. Regulations are a manifestation of Islamic law, which aims to protect the public from transactions that conflict with the objectives of Islamic law¹¹. Fintech regulators and financial authorities in ensuring the security and stability of digital payment systems is crucial in supporting digital-based economic transformation¹². Digital platforms are vulnerable to cyberattacks, and data leaks such as ID cards, faces, and digital signatures can lead to identity theft. Unprotected digital documents can be altered, deleted, or stolen. This poses a serious threat to the validity of digital sharia contracts, and investor literacy remains low. A lack of understanding of technology prevents investors from verifying the authenticity of digital documents or reading changes in transaction details. Harmonization is the biggest challenge; the government must unify fintech regulations, investor protection, digital security, and sharia into a single national guideline to avoid overlap¹³. The main obstacles to investor protection include weak identity verification, DPS's limited access to technology, regulatory fragmentation, cybersecurity risks, and low digital literacy. Future challenges include the digitization of national metadata, the authenticity of electronic documents, smart contract audits, and the need for regulatory harmonization between the Financial Services Authority (OJK), the National Sharia Development Planning Agency (DSN), and the National Sharia Agency (BASYARNAS). Therefore, legal protection for digital Sharia investors still requires significant strengthening in terms of regulation, technology, and Sharia governance.

CONCLUSION

Legal protection for investors in Islamic digital securities in Indonesia encompasses an integrated regulatory, technological, and sharia framework. The regulatory aspect is based on legal instruments such as the ITE Law, the PDP Law, and the DSN-MUI Fatwa, which guarantees the validity of digital contracts. Technically, transaction security is strengthened through the use of certified electronic signatures, data encryption, and strict cybersecurity mechanisms. Sharia protection is ensured by the role of the Sharia Supervisory Board, which ensures all transactions remain free from elements of usury (*riba*), *gharar* (*gharar*), and *maysir* (*gambling*). Although this formal framework is in place, its effectiveness depends

¹¹ Kristianti, D. S. (2020). Integrasi prinsip syariah dalam fungsi intermediasi lembaga keuangan syariah. *Undang: Jurnal Hukum*, 3(2), 315–339.

¹² Sari, E. M., & Baidhowi, B. (2025). Revolusi Regulasi Dalam Ekonomi Syariah: Integrasi Teknologi Digital Untuk Optimalisasi Penerapan Prinsip Syariah. *Jurnal Nuansa: Publikasi Ilmu Manajemen Dan Ekonomi Syariah*, 3(3), 47–69.

¹³ Salsabila, Y., & Putri, J. (2025). Fintech P2P Lending dalam Pandangan Islam. *Equivalent: Journal of Economic, Accounting and Management*, 3(2), 729–743.

heavily on the quality of technological implementation and policy harmonization among relevant authorities.

However, the implementation of this protection still faces significant obstacles such as weak digital identity verification, cybersecurity risks, and limited technological literacy. Regulatory fragmentation between the Financial Services Authority (OJK), DSN-MUI, and BASYARNAS also poses a major challenge to creating a harmonious policy ecosystem. Future dynamics demand metadata integration and the use of blockchain technology to strengthen the national digital investment verification system. Therefore, it is necessary to develop integrated guidelines that combine digital security standards with more comprehensive Sharia audit standards. Continuous strengthening efforts are crucial to ensure legal protection can adapt to the rapid development of the Sharia capital market in the digital era.

ACKNOWLEDGMENTS

Penulis menyampaikan rasa terima kasih dan apresiasi setinggi-tingginya kepada Universitas Muhammadiyah Surakarta atas fasilitas yang tersedia dan lingkungan akademik yang mendukung terlaksananya penelitian ini. Kami juga berterima kasih secara khusus kepada Ibu Diana Setiawati atas bimbingan dan saran yang konstruktif selama proses penyusunan manuskrip.

REFERENCES

Journal Article

- Aslan, Ö., Aktuğ, S. S., Ozkan-Okay, M., Yilmaz, A. A., & Akin, E. (2023). A comprehensive review of cyber security vulnerabilities, threats, attacks, and solutions. *Electronics*, *12*(6), 1333.
- Hannan, M. A., Shahriar, M. A., Ferdous, M. S., Chowdhury, M. J. M., & Rahman, M. S. (2023). A systematic literature review of blockchain-based e-KYC systems. *Computing*, *105*(10), 2089–2118.
- Kristianti, D. S. (2020). Integrasi prinsip syariah dalam fungsi intermediasi lembaga keuangan syariah. *Undang: Jurnal Hukum*, *3*(2), 315–339.
- Mintarsih, M. (2025). Tantangan Regulasi dalam Pengembangan Industri Keuangan Syariah di Indonesia. *AL-AMWAL: Jurnal Ekonomi Dan Perbankan Syariah*, *3*(1), 19–24.
- NUNUNG, S. N., & AUNUR, R. F. M. (2024). Transformasi ekonomi Islam melalui solusi fintech digital: Jalan menuju pertumbuhan berkelanjutan. *ANGGARAN: JURNAL PUBLIKASI EKONOMI DAN AKUNTANSI Упередмети: Asosiasi Riset Ilmu Manajemen Dan Bisnis Indonesia*, *3*(1), 89–100.
- Parate, S., Josyula, H. P., & Reddi, L. T. (2023). Digital identity verification: transforming KYC processes in banking through advanced technology and enhanced security measures. *International Research Journal of Modernization in Engineering Technology and Science*, *5*(9), 128–137.
- Pramesti, N. A., Junarto, R., & Farid, A. H. (2023). Land Archive Authentication as a Result of Media Transfer at the Land Office. *Marcapada: Jurnal Kebijakan Pertanahan*, *3*(1), 1–15.

- Salsabila, Y., & Putri, J. (2025). Fintech P2P Lending dalam Pandangan Islam. *Equivalent: Journal of Economic, Accounting and Management*, 3(2), 729–743.
- Sari, E. M., & Baidhowi, B. (2025). Revolusi Regulasi Dalam Ekonomi Syariah: Integrasi Teknologi Digital Untuk Optimalisasi Penerapan Prinsip Syariah. *Jurnal Nuansa: Publikasi Ilmu Manajemen Dan Ekonomi Syariah*, 3(3), 47–69.
- Siregar, H., Dinia, J., & Septiani, R. (2021). Analisis manajemen risiko terhadap penggunaan e-banking (mobile banking dan internet banking) pada Bank BNI Syariah. *JMB: Jurnal Manajemen Dan Bisnis*, 10(1).
- Wahyudi, H., Tubarat, C. P. T., Rodliyah, N., Kusnadi, A., & Leny, S. M. (2025). The nexus of crowdfunding and e-wakaf to islamic fintech in Indonesia in the era of industrial revolution 5.0. *Journal of Ecohumanism*, 4(1), 208–219.
- Waldelmi, I., Aquino, A., & Listihana, W. D. (2023). PELATIHAN DASAR DEWAN PENGAWAS SYARIAH (DPS) UNTUK LEMBAGA KEUANGAN SYARIAH. *Jurnal Ilmiah Pengabdian Kepada Masyarakat*, 2(3), 128–141.
- Yoro, M. (2024). Impact of financial reporting transparency on investor decision-making. *American Journal of Accounting*, 6(1), 25–36.
- Yuspin, W., & Fauzie, A. (2023). Good Corporate Governance In Sharia Fintech: Challenges and Opportunities In The Digital Era. *Quality-Access to Success*, 24(19)