JHIES : Jurnal Hukum Islam dan Ekonomi Syariah
Journal Link: https://cabiskarya.com/jhies/en
DOI: https://doi.org/10.67140/jhies.v2i2.19
Volume 2, Issue 2 (2026)
E-ISSN : 3123-8319

Islamic Contract Architecture for Digital Deferred Payment: A Three-Layer Conceptual Framework for Shariah-Compliant BNPL Regulation

Yusmita[1*], Moh. Yusuf Bahtiar[2]

[1]Institut Agama Islam Hasan Jufri Bawean, Indonesia
[2]Sekolah Tinggi Agama Islam Alif Laam Miim Surabaya, Indonesia

*Penulis Korespondasi: *yusmitainhafi@gmail.com*

Submitted : June 20, 2026 **Accepted :** August 15, 2026 **Published :** August 17, 2026

ABSTRACT

Buy Now Pay Later (BNPL) platforms have spread across Indonesia's e-commerce sector without a Shariah-specific governance framework. This leaves Muslim consumers in deferred payment arrangements whose religious status remains unresolved. This study applies doctrinal analysis and conceptual synthesis, reading classical fiqh sources on bay' al-taqsit against contemporary instruments, including AAOIFI Shariah Standards and DSN-MUI fatawa. The aim is to identify why conventional BNPL fails Shariah requirements and to build a governance framework for Indonesia. Five sources of non-compliance surface: contractual ambiguity blocking valid aqd formation, revenue structures replicating riba al-nasiah, asymmetric risk distribution violating al-ghunm bil ghurm, penalty charges exceeding the ta'widh standard, and interface designs constituting tadlis through concealment. OJK's 2023 suspension of Akulaku confirms these are not abstract concerns. Existing scholarship treats them separately, producing taxonomies without governance, behavioural studies without legal structure, regulation without theory. The article responds with an Islamic Contract Architecture for Digital Deferred Payment: a transactional layer built on bay' al-taqsit with wakalah agency, a risk layer using a tabarru'-based cooperative guarantee, and a transparency layer treating gharar and tadlis prohibitions as design obligations. For regulators, this translates into a dedicated product classification, extended Shariah oversight of algorithmic and interface design, and a cost-derived cap on late fees, mapped against OJK, DSN-MUI, AAOIFI, and IFSB instruments. The contribution is conceptual: contract, governance, and consumer ethics treated as interdependent rather than sequential compliance steps, a category absent from the literature.

Keywords: Islamic contract architecture, buy now pay later, digital deferred payment, shariah governance, consumer protection

Introduction

Buy Now Pay Later (BNPL) is a credit instrument. That framing matters. It circulates in public discourse as a checkout feature, a frictionless payment option, a UX convenience. The debt it creates is real, and so are its structural implications for Islamic financial law. The global BNPL market reached USD 492.8 billion in 2024. It is projected to grow to USD 911.8 billion by 2030, at a compound annual growth rate of 10.2 percent (Research and Markets, 2025). This growth follows a period of unusually aggressive expansion, at 21.7 percent annually between 2021 and 2024.

Conventional credit products disclose their cost of borrowing, however imperfectly. BNPL does not. Its revenue logic sits inside merchant discount fees, late payment penalties, and financing charges. These charges replicate the economic function of *riba* while sidestepping its formal definition. That is not a design flaw. It is the design.

The scale of this problem in Indonesia is already large and still growing. By 2024, more than 86 percent of e-commerce platforms across Southeast Asia, home to the world's largest concentration of Muslim consumers, had integrated BNPL options (Lotusia Group, 2024). Indonesia alone recorded 30.8 million BNPL users in 2023, an increase of more than 12 million within a single year (Statista, 2023). Each of these figures represents Muslim consumers entering deferred payment arrangements whose Shariah status no authoritative body has yet resolved.

The demographic trajectory makes this worse. The global Muslim population surpassed 2 billion in 2023. By 2030, approximately 540 million Muslim youth will be the most digitally active generation in Islamic history. They are also the generation most directly exposed to BNPL adoption (Dinar Standard, 2025). They are inheriting an Islamic finance ecosystem whose assets reached USD 4.93 trillion in 2023. These assets are projected to hit USD 7.53 trillion by 2028 (Dinar Standard, 2025). The gap between that institutional scale and the absence of a workable BNPL governance framework is not a lag. It is a failure, one with direct consequences for living consumers, not just for the coherence of the discipline. *This article examines that failure as it plays out in Indonesia's BNPL regulatory landscape, rather than as a comparative account across jurisdictions.*

The scholarly response to this failure has been inadequate. The reason is worth examining precisely, because it is not simply a matter of insufficient output. The existing literature has reproduced the fragmentation it claims to address. Broad bibliometric and systematic reviews of Islamic fintech consistently identify weak legal frameworks and absent governance structures as the central obstacles to Shariah-compliant digital finance (Alshater et al., 2022; Dawood et al., 2022; Muryanto, 2023). The diagnosis is accurate. The prescription is missing.

At the level of BNPL specifically, the literature fractures along disciplinary fault lines. Research focused on AI-driven contract analysis produces legal taxonomies without governance architecture (Katterbauer et al., 2023). Consumer behaviour studies track how religious values shape BNPL adoption decisions but leave the contractual and regulatory dimensions thin (Aji et al., 2024). The most structurally ambitious work to date examines how institutional frameworks displace traditional juristic approaches to contract validity (Ercanbrack & Ali, 2024). Yet it stops short of producing governance architecture that is operationally enforceable beyond the standard-setting context. The pattern is consistent: contractual studies ignore governance, behavioural studies avoid legal structure, and regulatory discussions float free of theoretical grounding. No single study has held all three together.

Maqasid-based scholarship has gone further conceptually, but has also revealed its own ceiling. Scholars working at this intersection have constructed rigorous frameworks for the moral objectives of Islamic finance (Monawer et al., 2022; Laldin & Furqani, 2013). What the literature has not produced is an operationalised architecture, a structure that converts maqasid principles into enforceable governance for digital credit products. Laldin and Furqani's foundational distinction between the ends (*maqasid*) and means (*wasa'il*) of Islamic finance points directly toward that kind of integrated approach. Subsequent scholarship has not followed through on it, at least not for BNPL or its functional equivalents.

The regulatory situation in Indonesia is no better. Regulators have so far intervened reactively rather than through a dedicated Shariah-compliance framework for BNPL. OJK's suspension of Akulaku's BNPL operations in October 2023 was grounded in general supervisory requirements, not in any Shariah-specific standard (see Result and Discussion). No equivalent instrument exists at the level of OJK or DSN-MUI that addresses BNPL's contractual structure directly. Alsaghir shows that without adequate risk mapping and regulatory frameworks, Islamic fintech products of this kind remain vulnerable to structural non-compliance with *maqasid al-Shariah* (Alsaghir, 2023). Most BNPL platforms operating in Indonesia therefore continue under conventional regulatory assumptions that are not merely insufficient from a Shariah standpoint. At the level of foundational contract doctrine, they are largely incompatible with it.

The problem is architectural, not incidental. Conventional BNPL is built around deferred obligation, risk transfer, and penalty monetisation that conflict with *fiqh al-mu'amalat* at a structural level, not isolated clauses that can simply be excised. Addressing it requires a framework spanning three interconnected dimensions: contract formation and validity, governed by Islamic contract theory and *usul al-fiqh*; institutional oversight, shaped by *amanah*, *shura*, and Shariah supervisory authority; and consumer protection ethics, where *maqasid al-Shariah*, specifically the protection of *mal* and *nafs*, sets the normative limits of permissible product design. No existing study has brought these three dimensions into one coherent, operational structure.

This study develops that structure. It draws on doctrinal analysis of classical and contemporary *fiqh* sources and critical engagement with Islamic fintech governance literature. It also draws on conceptual synthesis across Islamic legal theory, institutional governance theory, and *maqasid*-based regulatory thought. From this foundation, it proposes an Islamic Contract Architecture for Digital Deferred Payment, a three-layer governance framework designed as a comprehensive Shariah foundation for BNPL regulation. "Architecture" here is used with precision. It denotes a system in which each layer carries defined functions, operates within specified boundary conditions, and stands in principled relationship to the other layers. A *fatwa* is not an architecture. A checklist is not an architecture. What follows is an attempt to build one.

Four research questions organise the inquiry, each depending analytically on the one before it. First, what are the structural, not merely surface, sources of Shariah non-compliance in conventional BNPL models? Second, what theoretical layers constitute a comprehensive Islamic Contract Architecture for digital deferred payment, and on what principled basis are they distinguished and integrated? Third, how can the proposed architecture be operationalised as a regulatory blueprint for Indonesia's BNPL governance context? Fourth, what does Islamic Contract Architecture, as a conceptual category, contribute to existing Islamic financial governance scholarship that current frameworks cannot deliver?

Three contributions follow from this inquiry. Theoretically, the article introduces Islamic Contract Architecture as a new conceptual category in Islamic financial law. This category treats contract, governance, and ethics not as sequential compliance steps, but as structurally interdependent dimensions of any Shariah-compliant digital financial product. Regulatorily, it offers a framework that institutions including OJK, DSN-MUI, and AAOIFI can draw on when developing or harmonising Islamic BNPL governance. This offer stands alongside a caveat: converting conceptual architecture into binding regulation involves institutional and political dimensions that this article cannot resolve. Practically, it gives fintech operators and Shariah supervisory boards a structured analytical tool for evaluating and redesigning BNPL products from within Islamic legal principles. This approach differs from retrofitting conventional compliance models onto an incompatible foundation.

Research Method

This study collects no empirical data. The reason is not logistical. The central question of this inquiry asks how an Islamic Contract Architecture for digital deferred payment can be conceptually constructed. That question concerns legal structure, not observable behaviour. Building such a structure requires different tools entirely. This study therefore adopts a qualitative-doctrinal legal research design, one that leverages conceptual engineering to address a normative governance vacuum.

Two methods organise the inquiry: doctrinal analysis and conceptual synthesis. Both terms get used loosely in Islamic legal scholarship, often interchangeably. That looseness matters here, because this study uses them in specific, bounded senses.

Doctrinal analysis, as applied here, means reading legal sources for their structural logic rather than cataloguing their rules. The target is the principle underneath the rule. That principle must be generalised enough to speak to problems the classical jurists never anticipated. Platform-based deferred payment, operating without a single supervisory authority dedicated to Shariah compliance, is one such problem. No classical manual of *bay' al-taqsit* was written to resolve it.

The primary legal materials engaged operate at three levels, each chosen because the others alone would be insufficient. The Quran and Sunnah supply the foundational normative texts from which all derived rules draw their legitimacy. Classical *fiqh* manuals on deferred sale supply the jurisprudential doctrine, specifically the conditions of validity governing *bay' al-taqsit* and *bay' al-ajal*. Contemporary institutional instruments represent where Islamic commercial law actually operates in practice. These instruments include the AAOIFI Shariah Standards, DSN-MUI Fatwa No. 146/2021 on online sale transactions, and OJK Regulation No. 10/POJK.05/2022 on fintech lending. A framework anchored at only one of these levels is not an architecture. It is a fragment pretending to be one.

Secondary legal materials support this primary material at each stage of the analysis. These include peer-reviewed journal articles and systematic reviews on Islamic fintech governance, cited throughout this article. They also include industry and market reports, such as those from ResearchAndMarkets, Statista, DinarStandard, and Group, which establish the phenomenon this study addresses rather than its doctrinal content. A third category is publicly available BNPL product documentation, including the fee schedules of Shopee PayLater, Traveloka PayLater, and Kredivo, and OJK's 2023 regulatory action against Akulaku. This documentation grounds the doctrinal analysis in concrete product design, rather than treating Shariah non-compliance as a purely abstract possibility.

The materials for this study were collected through purposive, targeted selection, rather than systematic database sampling, consistent with the doctrinal nature of the inquiry. Primary legal materials were selected for their direct bearing on *bay' al-taqsit* and *bay' al-ajal*. They were also selected for their current standing as authoritative instruments, specifically DSN-MUI Fatwa No. 146/2021, OJK Regulation No. 10/POJK.05/2022, and the current AAOIFI Shariah Standards. Secondary literature was drawn from peer-reviewed journals addressing Islamic fintech governance, Islamic contract theory, and *maqasid al-Shariah*. These sources were selected for direct relevance to BNPL or its functional equivalents, rather than for a fixed publication window. Industry reports and platform documentation were collected to establish the scale and design of BNPL in the Indonesian market. These were cross-checked against OJK's public regulatory record where possible.

The doctrinal work further operates across three methodological registers that Islamic normative legal theory holds in relation. Ahmed identifies this integration precisely (Ahmed, 2025). *Usul al-fiqh* derives rules from revealed sources. *Qawaid al-fiqh* functions as an intermediate principle, reconciling textual specificity with normative breadth. *Maqasid al-Shariah* supplies the ethical policies within which both rules and maxims operate.

For a study of BNPL, the reason this integration is not optional is direct. A purely *usul*-based analysis yields formal rulings on contract validity. It says nothing about who enforces them when the contracting party is an app, not a merchant standing across a counter. A purely *maqasid*-based analysis yields ethical orientation, protection of *mal* and prevention of *israf*, and nothing a regulator can convert into product standards. Neither register alone reaches the problem. The three-layer architecture this study proposes is built to hold all three in principled relation, not decorative relation.

Conceptual synthesis is the second method. It means taking theoretical materials from distinct bodies of literature. From their intersection, it constructs a framework that none of those bodies has produced independently. The bodies drawn on here are Islamic contract theory, Shariah governance theory, and Islamic consumer protection ethics. None was designed with BNPL in mind, and that gap is precisely where the contribution sits. Laldin and Furqani's methodological distinction provides the relevant precedent (Laldin & Furqani, 2013). It separates the ends (*maqasid*) of Islamic finance from the institutional means (*wasa'il*) through which those ends must be realised. The existing literature has been considerably more comfortable theorising the ends than engineering the means. This study attempts the latter, with full awareness that such attempts carry their own risks of over-systematisation.

These two methods answer the study's four research questions in different combinations. The first research question, on the structural sources of Shariah non-compliance in conventional BNPL, is answered through doctrinal analysis. Classical conditions of contract validity, *riba*, *al-ghunm bil ghurm*, *ta'widh*, and *gharar* are applied to the design of BNPL products operating in Indonesia. This analysis draws on the product documentation described above. The second research question, on the theoretical layers of Islamic Contract Architecture, is answered through conceptual synthesis. Islamic contract theory, Shariah governance theory, and consumer protection ethics are combined into the three-layer structure, using the register integration described above.

The third research question, on operationalising the architecture as a regulatory blueprint, is answered by mapping the proposed framework against Indonesia's existing regulatory instruments. These instruments are OJK Regulation No. 10/POJK.05/2022 and DSN-MUI Fatwa No. 146/2021, read through the institutional friction described by Ercanbrack (Ercanbrack, 2019). The fourth research question concerns the contribution of Islamic Contract Architecture as a conceptual category. It is answered through comparative synthesis against the literature reviewed in the Introduction, showing what existing frameworks do not combine.

One further consideration bears stating explicitly, because it bears directly on what kind of framework is worth building. Ercanbrack demonstrates that Islamic financial law does not develop through pure jurisprudential derivation alone (J. Ercanbrack, 2019). It develops through the friction between market forces, municipal legal systems, and standard-setting bodies. In that process, the operational role of classical *usul* is structurally reduced even when its vocabulary is retained. This is not a criticism of the tradition. It is a description of how the tradition actually travels through institutional environments it was not designed for.

A regulatory blueprint for BNPL that ignores this dynamic will not survive contact with the context it is meant to govern. The framework developed here is therefore designed to be legible to regulators working inside that environment, not only to scholars working inside the *fiqh* tradition. That dual legibility is not a methodological compromise. It is the condition under which any governance framework for digital Islamic finance can actually function.

Result and Discussion

Structural Sources of Shariah Non-Compliance in Conventional BNPL Models

Conventional BNPL is not merely a financial product with isolated non-compliant clauses. It is built from its inception around a logic that conflicts with *fiqh al-mu'amalat* at a structural level. The problem lies deep within its design, not on its surface.

This distinction bears emphasizing because much of the ongoing discourse surrounding BNPL and Shariah revolves around an overly narrow question: whether a specific product charges interest. That question is necessary, but it is entirely insufficient. Even if every explicit fee were eliminated, an invalid contractual structure (*akad*) renders the product legally flawed. A shallow diagnosis yields only shallow solutions.

When a consumer clicks "pay later" on a Shopee or Tokopedia checkout page, no valid contract is formed. There is no clear determination of whether the transaction constitutes *bay' bi-thaman ajil*, *qardh*, or *dhaman*. The consumer does not know, and the service providers, in most cases, have designed the system precisely so they cannot know. Ercanbrack and Ali demonstrate that within contemporary institutional frameworks, the traditional *fiqh* approach to determining intent (*iradah*) in a contract has been displaced by an institutional logic prioritizing uniformity and legal certainty (J. G. Ercanbrack & Ali, 2024). Consequently, contract validity from the perspective of *usul al-fiqh* is no longer a primary consideration in product design.

In *usul al-fiqh*, the validity of a contract requires a clear intent from both parties regarding the exact legal relationship being formed not merely a desire to acquire goods. A contract that fails to define itself can neither be judged valid (*sah*) nor void (*batal*) because it has not met the baseline requirement to be called a contract. When the nature of the contract remains undefined, the resulting rights and obligations lack any verifiable legal footing, leaving no benchmark to judge whether a provider has fulfilled its obligations or breached them.

Some argue that this contractual ambiguity is merely a technicality that can be remedied by adding clauses to the terms and conditions. That argument is incorrect. Ercanbrack shows that Islamic financial law operates through the friction between market forces and institutional logics that have long abandoned the substance of *usul al-fiqh* (Ercanbrack, 2019). Inserting the phrase *bay' muajjal* into a terms-of-service agreement without restructuring the underlying product architecture does not yield a valid contract. Merely labeling a contract does not grant it validity.

Regarding riba, the most common defense is that BNPL charges no interest. That is terminologically accurate, but what matters in *fiqh* is economic function, not label. Katterbauer et al. show that conventional BNPL replicates the exact economic function of interest through different channels, and propose *murabahah* as an alternative Shariah-compliant framework (Katterbauer et al., 2023). That direction is correct but insufficient: Katterbauer et al. concede that most Shariah supervisory boards view *murabahah* as a sub-optimal form of financing, used only when profit-sharing is impractical. Proposing *murabahah* without questioning whether it resolves asymmetric risk distribution moves the problem rather than solving it. What is required is not a substitute contract, but a comprehensive architecture.

Aji et al., surveying 434 Muslim consumers in Indonesia and Malaysia, confirm that BNPL is fundamentally a short-term debt arrangement carrying late-payment fees, the exact structure consumers identify as the strongest source of *riba* risk (Aji, Berakon, et al., 2024). Shopee PayLater and Traveloka PayLater charge 5% monthly late fees, Kredivo charges 6%, figures that vastly exceed any provable loss. A financial obligation that grows proportionally with time, regardless of its label, is the precise economic function of *riba al-nasiah*. Classical *fuqaha* have long held that renaming cannot evade the prohibition, since what is prohibited is the accumulation itself, a principle directly captured by *sadd al-dhara'i*.

The maxim *al-ghunm bil ghurm* dictates that profit is legitimate only when accompanied by a proportionate liability for risk. Ghazali et al. emphasize that this maxim is the core legitimacy of profit in Islamic finance: the right to gain is inherently tied to a willingness to bear risk, not merely to provide a facility (Ghazali et al., 2024). Conventional BNPL systematically and measurably violates this principle.

BNPL providers receive a merchant fee upfront, before the consumer ever completes a payment. The entire default risk is then offloaded onto the consumer through penalties and collection mechanisms, without any comparable risk exposure on the provider's side. In a valid *bay' al-taqsit*, a merchant selling on credit absorbs the risk of non-payment as an inherent part of the transaction. Conventional BNPL decouples profit from that risk entirely, and this decoupling alters the fundamental character of the transaction. When a provider bears zero risk for the deferred obligation it creates, its position becomes indistinguishable from that of an interest-bearing lender.

Late fees present a distinct challenge. Some contemporary scholars permit *ta'widh*, but strictly limited to actual, verifiable losses. The 5–6% monthly penalties imposed by Indonesian BNPL providers do not meet this standard: they are a fixed percentage of the outstanding balance, not damages derived from real, verifiable loss. Alsaghir shows that without adequate risk mapping and regulatory frameworks, Islamic fintech products remain vulnerable to structural non-compliance with *maqasid al-Shariah*, particularly where *gharar* is high, as in smart contracts and digital payment instruments (Alsaghir, 2023). OJK's October 2023 suspension of Akulaku's BNPL operations for failing supervisory requirements shows this is not merely theoretical: when even conventional regulators feel compelled to intervene, the flaw is embedded within the product architecture.

Gharar constitutes the fifth source of non-compliance. Popular discussions narrow this term to uncertainty about the object of transaction, but Mohd Noh et al., in a systematic review of gharar literature in Scopus and Web of Science, show it more often manifests as material ambiguity regarding the parties' rights and obligations (Noh et al., 2025). The BNPL interface exacerbates this: tiny installment amounts are shown isolated from their cumulative cost, while terms and conditions sit buried behind multiple layers of clicks. In fiqh al-mu'amalat, hiding material information that shapes contractual decisions is tadlis, grounds for contract rescission. Interface design is not neutral territory; it is a legal choice.

These five sources of non-compliance do not operate in isolation. Contractual ambiguity carves out a space for revenue structures that mimic *riba*. Asymmetric risk distribution enables the monetization of consumer failure. The absence of transparency locks consumers out of the information needed to make informed choices. They reinforce one another, and it is this very coherence that renders partial reforms futile. Revising penalty clauses without correcting the contractual structure will never yield a Shariah-compliant product, and appending a Shariah label without changing the revenue mechanism produces nothing but window dressing. What is needed is a contract architecture built from scratch on a proper foundation and the next section constructs that architecture.

Constructing a Three-Layer Islamic Contract Architecture for Digital Deferred Payment

The preceding analysis establishes that conventional BNPL is not merely non-compliant in isolated features but structurally defective at the level of its contractual design. A meaningful Shariah-compliant alternative cannot, therefore, be produced by grafting Islamic terminology onto an unchanged product architecture. What is required is a contract framework constructed from first principles, one in which each layer addresses a specific source of non-compliance identified in the prior section.

Islamic fintech is not a sector waiting to be regulated into compliance, but a civilizational project whose legitimacy depends on whether its instruments genuinely embody the ethical commitments of *fiqh al-mu'amalat* or merely simulate them (Smolo, 2026). That framing governs the architecture proposed here. The three layers that follow (a transactional layer built on *bay' al-taqsit* with *wakalah* agency; a risk distribution layer grounded in a takaful-inspired cooperative mechanism; and a governance and transparency layer operationalizing the disclosure standards demanded by *fiqh al-mu'amalat*) do not merely replace prohibited features. They reconstruct the underlying logic of the transaction so that profit legitimacy, risk symmetry, and informational honesty are structurally embedded rather than incidentally present.

Layer One: Transactional Integrity through Bay' al-Taqsit and Wakalah

The foundation of any Shariah-compliant deferred payment product must be a valid sale contract. Of the available instruments, *bay' al-taqsit* (installment sale) provides the most direct and legally defensible basis for a digital deferred payment arrangement. Its institutional authority is not merely classical. The Islamic Fiqh Academy, in Resolution No. 53/2/6 adopted at its sixth session in Jeddah (1990), formally affirmed the permissibility of installment sale with a price premium over spot payment. This approval is subject to the condition that the total price is fixed and agreed upon at the moment of contract formation, and that it does not increase after the contract is concluded. This resolution is foundational for the present architecture because it establishes precisely the structural feature that distinguishes *bay' al-taqsit* from *riba al-nasiah*, namely the temporal fixity of obligation.

Unlike *murabahah*, which has attracted sustained criticism from Shariah supervisory boards as a debt-replicating instrument (Katterbauer et al., 2023) *bay' al-taqsit* in its classical and institutionally ratified formulation represents a genuine transfer of ownership risk from seller to buyer at the point of contract formation. The price premium for deferred payment is disclosed upfront, agreed upon by both parties, and fixed. It does not increase with time. This last feature is decisive. The prohibition of *riba al-nasiah* targets precisely the temporal accumulation of financial obligation, and *bay' al-taqsit* forecloses that accumulation by locking the total price at the moment of *ijab* and *qabul*.

In a digital BNPL context, however, *bay' al-taqsit* alone is insufficient because the platform operator is not the seller of the underlying good. The merchant sells the product; the platform facilitates deferred payment. This triangular relationship requires a *wakalah* (agency) arrangement in which the platform acts as an authorized agent (*wakil*) of the consumer for the purpose of completing the purchase and structuring the installment schedule. The consumer, as *muwakkil* (principal), authorizes the platform to negotiate and execute the transaction on their behalf within pre-disclosed parameters. Crucially, the platform's fee under this structure must be a disclosed, fixed agency fee rather than a margin derived from the deferred price differential. This distinction separates legitimate *ujr al-wakalah* from a disguised interest spread. (DSN-MUI, 2018), which governs technology-based financing under Shariah principles in the Indonesian context, provides direct regulatory support for this *wakalah* fee structure, recognizing the platform's role as an agent whose compensation must be transparently disclosed and decoupled from the debt obligation itself.

The digital implementation of this layer requires that the contract formation interface explicitly identify the nature of the legal relationship being created. This is not merely a regulatory formality. Classical *fiqh* doctrines governing the moment and conditions of contract formation are fully operationalizable in digital environments (Muhammad et al., 2024). The absence of physical co-presence does not preclude the conditions of valid *ijab* and *qabul*, provided the interface is designed to make contractual intent (*iradah*) explicit rather than implicit. At the point of checkout, the consumer must be presented with a clear declaration that the transaction constitutes a *bay' al-taqsit* facilitated through *wakalah*. The interface must display that the total price, including any disclosed platform fee, is fixed and will not increase regardless of the payment timeline, and that ownership of the good transfers to the consumer at the moment the contract is confirmed. The displacement of *iradah* by institutional convenience remains one of the defining pathologies of contemporary Islamic financial products (J. G. Ercanbrack & Ali, 2024). Restoring *iradah* to its proper place is therefore not merely a theoretical aspiration but a practically achievable design requirement (Muhammad et al., 2024).

From a regulatory standpoint, (DSN-MUI, 2021) on online sale transactions provides the most direct normative bridge between classical *bay' al-taqsit* doctrine and its digital implementation in the Indonesian market. The fatwa explicitly addresses the conditions under which online transactions satisfy the requirements of valid contract formation under Shariah, including the disclosure of price, the identification of the contracting parties, and the specification of the object of sale. For BNPL product designers operating under OJK supervision, this fatwa establishes that a *bay' al-taqsit*-based digital product is not a regulatory novelty requiring *ex nihilo* approval, but an instrument whose Shariah parameters have already been defined by the national fatwa authority. The gap that remains is not doctrinal but architectural. The current generation of BNPL products does not comply with Fatwa No. 146/2021 not because the fatwa is inapplicable, but because the products were never designed with its core parameters in mind.

Layer Two: Risk Symmetry through a Takaful-Inspired Cooperative Mechanism

The second layer addresses the most structurally consequential violation identified in conventional BNPL: the systematic decoupling of profit from risk. The maxim *al-ghunm bil ghurm* does not merely caution against risk avoidance. It makes risk exposure a prerequisite for the legitimacy of any financial return. A platform that collects merchant fees upfront while transferring all default risk to the consumer through punitive late charges has not merely violated a subsidiary rule. It has severed the moral and legal foundation of its right to profit. The right to gain is inherently tied to a willingness to bear risk, rather than a unilateral effort to provide a credit facility (Ghazali et al., 2024).

The proposed solution draws on the cooperative logic of takaful without replicating the full institutional apparatus of an insurance product. Specifically, this layer operates through a *tabarru'*-based mutual guarantee fund (*sanduk damanat ta'awuni*) to which both the platform and participating merchants contribute a defined percentage of each transaction value. When a consumer experiences genuine financial hardship (not strategic non-payment, but a verifiable inability to pay), the fund absorbs a portion of the deferred obligation rather than converting it into a compound penalty. This mechanism directly addresses the *al-ghunm bil ghurm* requirement. The platform and merchant, having already benefited from the transaction, bear a residual liability for its completion rather than externalizing that liability entirely onto the consumer.

The mechanism must also account for a deficit scenario, in which contributions collected fall short of the total claims arising from verified hardship. In the short term, claims should be settled on a pro-rata basis, each *mu'sir* consumer receiving a proportionate share of the fund available. The remaining unmet obligation is not extinguished but restructured. This preserves the deferred-not-erased character of the fund itself, and avoids transferring the shortfall onto the consumer as a fresh penalty. In the longer term, the deficit risk points toward a regulatory requirement rather than a purely voluntary safeguard. OJK's classification of *bay' al-taqsit al-raqami* as a distinct product category should include a minimum reserve ratio, analogous to solvency requirements in conventional insurance. That ratio should be calibrated against historical hardship claim rates. Without such a requirement, the fund's ability to fulfil the *al-ghunm bil ghurm* principle in practice depends on voluntary platform discipline rather than enforceable design.

The distinction between hardship and strategic default must be operationalized carefully. Drawing on *fiqh* categories, the architecture distinguishes between *mu'sir* (the genuinely insolvent debtor) and *mumati'* (the recalcitrant non-payer). For the *mu'sir*, the fund mechanism activates a restructured payment timeline with no additional charges, consistent with the Quranic injunction in Al-Baqarah (2:280) to grant respite to one in difficulty. For the *mumati'*, a fixed, one-time administrative fee, representing real and verifiable costs of follow-up and processing, may be applied. However, this fee must be strictly capped and non-compounding. It satisfies the *ta'widh* standard articulated by the OIC Fiqh Academy and further affirmed in the Islamic Fiqh Academy's resolutions on financial compensation: compensation only for actual, demonstrable loss, not for the passage of time. The 5-6% monthly penalty structures of Shopee PayLater, Traveloka PayLater, and Kredivo, which serve as the primary source of riba risk perception among Muslim consumers in Indonesia and Malaysia (Aji et al., 2024), are not merely excessive under this standard. They are categorically impermissible because they are calibrated to generate corporate revenue rather than to recover administrative costs.

The fund governance structure must prevent the takaful mechanism from becoming a vehicle for cross-subsidizing platform profitability. This requires independent oversight by a Shariah supervisory committee operating under the principles articulated in IFSB-10 (IFSB, 2009), which establishes guiding principles for Shariah governance systems in institutions offering Islamic financial services. IFSB-10 mandates that the Shariah supervisory board function independently of management, issue binding rulings on product structures, and conduct periodic reviews of operational compliance, rather than merely relying on *ex ante* product approval. The updated governance expectations articulated in the revised Shariah governance framework further strengthen this requirement by emphasizing the need for ongoing Shariah audit functions capable of identifying compliance drift in live products (IFSB & AAOIFI, 2020).

Applied to the cooperative fund, this governance standard requires that the relationship between fund contributions, claims, and administrative expenses be audited on a regular basis and reported transparently to consumers and regulators. The fund surplus, if any, must be distributed back to contributors or directed to charitable purposes such as *waqf* or *sadaqah*, and never retained as platform profit. This constraint is essential. A cooperative risk mechanism that quietly generates profit for its sponsor has merely disguised the same asymmetric structure it was designed to replace.

Layer Three: Structural Transparency as a Fiqhi Obligation

The third layer addresses *gharar* and *tadlis* not as disclosure requirements in the regulatory sense, but as substantive *fiqhi* obligations embedded in the product architecture itself. *Gharar* in contemporary financial transactions frequently manifests as material ambiguity regarding rights and obligations rather than uncertainty about the object of exchange (Noh et al., 2025). The remedy is correspondingly architectural. The user interface must be designed so that the consumer cannot complete a transaction without encountering, in plain and unambiguous language, the full cost and legal character of the deferred payment arrangement.

This layer imposes three specific design requirements. First, the total price, inclusive of the platform's agency fee and the complete installment schedule, must be displayed as a single, prominent figure before any confirmation step. It must not be disaggregated across multiple screens or buried in expandable terms. The current practice of displaying only the per-installment amount constitutes *tadlis* by interface design, as it serves as a primary driver of consumer misjudgment (Aji et al., 2024). Second, the nature of the consumer's legal obligation must be stated explicitly. The consumer is entering a *bay' al-taqsit* facilitated by *wakalah*, not a loan, and the implications of that distinction (including the fixed nature of the total price and the inapplicability of compound penalties) must be communicated at the point of contract formation. DSN-MUI Fatwa No. 146/2021 provides direct normative support for this requirement, specifying that online transactions must make the object, price, and terms of the sale unambiguously clear to both parties before the contract is concluded. Third, the hardship restructuring mechanism must be disclosed as a consumer right, not as a discretionary concession. A consumer who does not know that restructuring is available cannot exercise that right, and a right that cannot be exercised is legally and practically meaningless.

The transformative potential of Islamic fintech will only be realized if its products are designed to expand the financial agency of users rather than to exploit their cognitive limitations (Smolo, 2026). That argument finds its *fiqhi* expression in the *maqasid al-Shariah* framework, specifically *hifz al-mal* (protection of wealth) and *hifz al-'aql* (protection of reason and rational agency).

Hifz al-mal is violated when an information asymmetry systematically redirects wealth from consumers to platforms through mechanisms the consumer cannot evaluate. This asymmetry takes concrete form in at least two mechanisms already identified in this architecture. The first is contractual. A consumer accepting a "pay later" option does not know which underlying *akad* structure applies. Ercanbrack and Ali trace this gap to institutional logics displacing traditional intent-based contract formation (Ercanbrack & Ali, 2024). The second is algorithmic. Fee structures and credit-scoring adjustments made after initial Shariah certification remain invisible to the consumer. The consumer has no means of verifying that a live product still matches its certified design (Smolo, 2026). .

Hifz al-'aql is violated when a user interface is deliberately designed to impair rational decision-making. This design intent manifests through specific interface techniques already identified in this architecture's governance requirements. Artificial countdown timers create urgency that forecloses deliberation. Default opt-in structures commit the consumer to a payment schedule without requiring an affirmative choice. Algorithmically timed purchase prompts exploit moments when a consumer's judgment is most likely to be compromised. These are not metaphorical violations. They are structural ones that the third layer of this architecture is designed to foreclose. They provide the *maqasid*-level justification for why transparency here is not merely commercially advisable but religiously obligatory.

The governance dimension of this layer requires that the Shariah supervisory function, operating under established international standards (IFSB, 2009); (IFSB & AAOIFI, 2020) extend its review mandate to include interface design and consumer communication materials, not merely formal contract documentation. A Shariah board that approves a contract structure without reviewing the interface through which that contract is formed has approved an abstraction, not a product. The interface is the contract as the consumer experiences it, and *fiqh al-mu'amalat* has always judged transactions by their substance and effect, not by the technical validity of documents the consumer never reads.

Systemic Coherence and Implementation Considerations

The three layers described above do not function independently. The validity of the *bay' al-taqsit* arrangement in Layer One presupposes that the consumer has received the disclosure mandated by Layer Three; a contract formed in the absence of material information is not a valid contract. The cooperative risk fund in Layer Two presupposes the fixed-price structure of Layer One; a fund designed to absorb a penalty that should not legally exist in the first place merely institutionalizes the underlying violation. And the transparency requirements of Layer Three are only meaningful if the contract they describe is itself valid, and if the risk mechanism is genuinely cooperative rather than cosmetically so. The architecture is coherent precisely because each layer is necessary to the others.

For platform operators in Indonesia, the transition to this architecture carries real implementation costs. The *wakalah* fee model generates lower short-term revenue than the penalty-driven model it replaces, because it forecloses the monetization of consumer default that currently subsidizes low or zero merchant fees. However, the long-term sustainability of Islamic financial products depends on their alignment with the risk-sharing ethic that distinguishes them from conventional instruments (Ghazali et al., 2024)

The regulatory infrastructure to support this transition is more developed than is commonly acknowledged. (DSN-MUI, 2018) and No. 146/2021 together provide the domestic fatwa foundation; the Islamic Fiqh Academy's Resolution No. 53/2/6 provides the international institutional anchor; and IFSB-10 (IFSB, 2009) alongside the unified frameworks (IFSB & AAOIFI, 2020) provides the governance architecture. What has been absent is not authorization but architectural intention, the deliberate decision to build a product that these frameworks can actually govern.

The characterization of Islamic fintech as a civilizational tool implies precisely that obligation: not to use Islamic law as a compliance checklist, but to build products whose internal logic is indistinguishable from their claimed ethical commitments (Smolo, 2026) The three-layer architecture proposed here is an attempt to meet that obligation at the level of design.

Toward an Integrated Regulatory Framework for Shariah-Compliant BNPL Governance

The three-layer architecture developed in the preceding section is not self-executing. A contractual design may be internally coherent from the perspective of *fiqh al-mu'amalat*. Yet it remains practically inert without a regulatory environment capable of recognising, enforcing, and supervising it. Converting architecture into regulatory practice therefore confronts a problem that is institutional before it is technical.

The normative instruments needed to govern a *bay' al-taqsit*-based digital payment product already exist, but only in fragmented form. They are scattered across national financial regulations, Shariah authority fatwas, and international governance standards. They have never been consolidated into a framework specifically applicable to Shariah-compliant BNPL. Closing that gap is not merely an administrative task. It is a fundamental prerequisite for the proposed architecture to function as designed, rather than as a mere aspiration.

The Indonesian evidence makes this structural need plain. OJK's current regulatory architecture for fintech lending is anchored in POJK No. 10/2022. This framework treats all digital deferred payment products as debt-based financing instruments regardless of their underlying contractual structure. A *bay' al-taqsit* product facilitated through *wakalah* is not a loan; it is a sale with deferred payment. POJK No. 10/2022 does not distinguish between these two legal categories. As a result, the specific consequences of a sale-based contract cannot be preserved within a regulatory category designed strictly for credit instruments. These consequences include a fixed total price, the absence of compound obligations, and the immediate transfer of ownership risk from provider to consumer.

The structural defect compounds at the enforcement level. DSN-MUI Fatwa No. 117/DSN-MUI/II/2018 provides a workable blueprint for Shariah-compliant digital financing, yet it carries no binding legal force unless formally adopted into OJK regulations. This dual-authority structure produces a dangerous coordination gap, generating severe legal uncertainty without any single agency being held responsible for it (Fidhayanti et al., 2025). Under the current setup, a BNPL platform can operate in direct contradiction of DSN-MUI's normative standards without incurring any legal consequence. The fatwa establishes what compliance should look like; the regulation determines what compliance is actually enforced. When these two instruments diverge, enforcement defaults to the narrower standard, and the broader ethical commitment embedded in the fatwa is left without practical effect.

This coordination gap produces a paradox internal to the Indonesian regulatory landscape itself. On one hand, Indonesia possesses an unusually comprehensive normative foundation for Islamic digital finance. DSN-MUI has issued fatwas addressing technology-based financing services and online sale transactions, covering much of the contractual foundation that a Shariah-compliant BNPL product would require. On the other hand, none of this normative comprehensiveness translates into regulatory authority. OJK regulates fintech lending through a licensing and supervisory regime designed around conventional credit products, not around fatwa-derived contractual categories. The result is a peculiar asymmetry. The jurisdiction with the richest fiqhi resources for BNPL governance is also the jurisdiction where those resources carry the least binding force.

A DSN-MUI fatwa can describe in precise detail what a valid *bay' al-taqsit* structure requires. Yet a platform that ignores every element of that description faces no direct regulatory sanction. Sanction flows from POJK No. 10/2022, not from the fatwa itself. This asymmetry is not a temporary oversight. It reflects a structural separation between Indonesia's Shariah standard-setting bodies and its financial supervisory authority. That separation predates the BNPL phenomenon and extends across Islamic fintech more broadly (Fidhayanti et al., 2025). Addressing BNPL governance specifically therefore requires closing a gap that is already visible, and already documented, in the wider architecture of Indonesian Islamic financial regulation.

The first regulatory requirement, derived from Layer One, is a dedicated product classification for sale-based digital deferred payment. This category must remain distinct from both conventional BNPL and existing Islamic credit facilities. Collapsing it into either category erases the contractual distinctions that make it Shariah-compliant in the first place. Concretely, this means OJK must establish a regulatory category that formally recognises *bay' al-taqsit al-raqami* as a distinct product type. That category must be separate from consumer lending and separate from conventional deferred payment schemes.

DSN-MUI Fatwa No. 146/2021 already provides the fatwa foundation for that classification, since it addresses the contractual requirements of online sale transactions in sufficient detail. What is currently missing is not normative content but administrative translation. OJK must formally adopt that fatwa foundation into its supervisory taxonomy. This can be expressed through a dedicated licensing category or product code that examiners can apply during routine supervision. Without that translation step, a fatwa remains a statement of ideal practice rather than an enforceable classification. The underlying principle extends beyond this single product. A regulator cannot govern what its taxonomy does not formally recognise, regardless of how well developed the underlying normative guidance may be.

The second requirement, derived from Layer Two, is an extension of Shariah supervisory authority to cover three dimensions that current governance frameworks leave unaddressed. These focus areas are non-bank BNPL providers, algorithmic product logic, and consumer-facing interface design. Under IFSB-10, Shariah governance requires ongoing supervisory authority over operational compliance, not merely *ex-ante* product approval (IFSB, 2009). The revised governance standards strengthen this further. They require that Shariah audit functions be capable of identifying compliance drift in live products after launch (IFSB & AAOIFI, 2020).

The implication for the digital BNPL sector is direct. A platform might update its fee calculation algorithm after receiving initial Shariah certification. If that live update introduces a mechanism that functions economically as *riba*, no existing governance structure is designed to catch it. This blind spot represents a critical structural gap in digital finance (Smolo, 2026). Screening digital contracts requires the technical ability to scrutinise live code, automated data processes, and the way algorithms make decisions. Neither existing Shariah boards nor financial regulators currently possess that capacity in a systematic way.

The interface dimension remains equally unaddressed. The consumer-facing digital interface is the contract as the consumer actually experiences it. *Tadlis* (deception) can be deeply embedded in interface design through predatory features. These include artificial countdown timers, default opt-in structures, or algorithmically timed purchase prompts. Such designs are as legally consequential as *tadlis* in written contract terms under current digital sale doctrines (DSN-MUI, 2021). Yet, no current regulatory framework treats them with that level of gravity. Closing this gap requires Shariah supervisory bodies to have both the mandate and the technical competence for the task. That means the capacity to certify the digital disclosure architecture alongside the basic product structure.

The third requirement, derived from Layer Three, demands consumer protection standards anchored directly in Islamic legal principles rather than in general consumer law alone. The 5% to 6% monthly late fee structures currently imposed by many BNPL providers in Muslim-majority markets are excessive. Under established international standards, which limit financial compensation strictly to actual and verifiable loss, such structures are categorically impermissible (Islamic Fiqh Academy, 1990). Yet, no financial jurisdiction has established a firm cap on late payment charges grounded in the *ta'widh* principle.

What is required is a regulatory determination of a maximum administrative fee derived from actual average collection costs. That fee should replace a flat percentage of the outstanding balance. A percentage-based fee grows over time and with the outstanding amount, replicating the economic structure of *riba* regardless of its nominal label. A cost-derived cap does not. The classical prohibitions against *tadlis* and *ghabn fahish* (excessive exploitation) establish this same principle from the contract law side. A platform whose revenue model depends heavily on information asymmetry and consumer default is not merely charging too much. It is actively violating the conditions of valid *taradi* (mutual consent). No governance framework can make a product compliant without first making its operations honest.

Realising these three requirements in Indonesia calls for a specific institutional mechanism rather than a general aspiration. The most direct vehicle is a joint OJK-DSN-MUI instrument. That instrument would formally elevate fatwa-derived Shariah standards into enforceable regulatory thresholds, rather than leaving them as parallel, non-binding guidance. Such an instrument would not require either institution to surrender its existing mandate. OJK retains supervisory and enforcement authority, while DSN-MUI retains interpretive authority over Shariah compliance; what changes is the formal bridge connecting the two.

At the international level, a complementary development would involve AAOIFI extending its Shariah standard-setting work to address digital deferred payment products specifically. No existing AAOIFI standard speaks directly to *bay' al-taqsit* structures delivered through algorithmic, app-based interfaces. Indonesia's joint-instrument approach could, in principle, serve as one input into that international standard-setting process. Demonstrating that link empirically, however, falls outside the scope of this article.

Islamic financial law standardisation historically develops through market pressure and voluntary adoption rather than top-down harmonisation (Ercanbrack, 2019). The Islamic finance industry is unlikely to produce compliant BNPL products at scale until a credible standard emerges. That standard, whether domestic or international, must explicitly define what compliance requires. The Indonesian joint-instrument mechanism and the prospective AAOIFI standard address the same underlying problem through different institutional vocabularies. One is grounded in national supervisory practice, the other in cross-border standard-setting. The architecture proposed in this article does not require these instruments to be identical to be effective. It requires them to be structurally coherent. Each must address contract validity, governance scope, and consumer protection ethics as interconnected requirements, rather than as an independent compliance checklist.

This framework does not resolve every problem it identifies. Building algorithmic audit capacity within Shariah supervisory structures requires empirical investigation this article cannot conduct. Achieving true harmonisation at the OIC or AAOIFI level involves complex institutional politics that no conceptual framework can dissolve. What the architecture provides is a principled basis for those conversations.

The permanent tension between financial innovation and Shariah compliance is not a design flaw in Islamic finance. It remains an inherent feature of applying a normative system to a domain that changes faster than any normative framework can comfortably accommodate. What this architecture does is make the terms of that tension explicit. In making them explicit, it elevates governance from a mere aspiration into a practical possibility.

Conclusion

This article has argued that the Shariah non-compliance of conventional Buy Now Pay Later is not a problem of isolated prohibited clauses. It is instead a structural defect embedded in the foundational logic of the product.

Five interconnected sources of non-compliance were identified. Contractual ambiguity forecloses valid *akad* formation. Revenue structures replicate the economic function of *riba al-nasiah* regardless of their nominal label. Asymmetric risk distribution severs the *al-ghunm bil ghurm* requirement for profit legitimacy. Punitive late payment charges exceed the *ta'widh* standard by design. Interface architectures constitute *tadlis* through deliberate information concealment. These violations reinforce one another, and it is precisely their mutual coherence that renders piecemeal reform futile.

In response, this article has developed an Islamic Contract Architecture for Digital Deferred Payment. This is a three-layer governance framework constructed from the first principles of *fiqh al-mu'amalat*. The first layer establishes transactional integrity through *bay' al-taqsit* combined with a *wakalah* agency arrangement. This restores valid *akad* formation and fixes the total price at the moment of *ijab* and *qabul*. The second layer addresses risk asymmetry through a *tabarru'*-based cooperative guarantee mechanism inspired by takaful principles. This mechanism ensures that platform operators and merchants bear a proportionate share of the default risk from which they have already profited. The third layer operationalises structural transparency as a substantive *fiqhi* obligation. It grounds consumer disclosure requirements in *hifz al-mal* and *hifz al-'aql* rather than in general consumer protection law alone.

The three layers are architecturally interdependent. The validity of the first presupposes the disclosure mandated by the third. The cooperative mechanism of the second presupposes the fixed-price structure of the first. The transparency requirements of the third are only meaningful if the contract they describe is itself valid.

The article further demonstrated that converting this architecture into regulatory practice requires confronting a structural gap that is institutional before it is technical. The normative instruments necessary to govern a *bay' al-taqsit*-based digital payment product already exist across DSN-MUI fatwas and OJK regulations. They also exist within international governance standards issued by IFSB and AAOIFI. What has been absent is not authorisation but architectural intention. What is missing is the deliberate decision to integrate these instruments around a product framework whose internal logic is indistinguishable from its claimed ethical commitments. The Indonesian evidence reveals a persistent asymmetry. The jurisdiction possesses an unusually comprehensive normative foundation. Yet none of that comprehensiveness has translated into a regulatory architecture capable of governing sale-based digital deferred payment in its full complexity.

Three contributions follow from this inquiry. Theoretically, the article introduces Islamic Contract Architecture as a conceptual category. This category treats contract formation, institutional governance, and consumer protection ethics as structurally interdependent dimensions of Shariah-compliant digital financial products, rather than as sequential compliance steps. Regulatorily, it provides a regulatory blueprint for Indonesia that institutions including (OJK, 2022), DSN-MUI, and AAOIFI can draw upon. This blueprint supports the development or harmonisation of Islamic BNPL governance frameworks. Practically, it offers Shariah supervisory boards and fintech operators a structured analytical tool for evaluating and redesigning BNPL products from within Islamic legal principles. This approach avoids retrofitting conventional compliance models onto a foundation they are incompatible with.

The limitations of this study are real and must be acknowledged. The framework is conceptual, and converting it into enforceable regulation involves institutional processes, political dynamics, and cross-jurisdictional negotiations that no doctrinal analysis can resolve. The proposal for algorithmic audit capacity within Shariah supervisory structures raises empirical questions about technical feasibility and institutional design that require dedicated investigation. And the long-term commercial viability of a *wakalah* fee model in competitive BNPL markets remains to be demonstrated through market-level research. These are not objections to the framework. They are the research agenda it generates.

What this architecture establishes is the principled basis on which those conversations must proceed. The 2 billion Muslim consumers currently navigating digital deferred payment markets are not inheriting a governance vacuum because the normative tradition lacks the resources to address it. They are inheriting it because those resources have not yet been assembled into a structure capable of governing the problem at hand. The purpose of this article has been to begin that assembly.

References

Ahmed, H. (2025). Islamic normative legal theory: Framework and applications. *Journal of Law and Religion*, *40*(1), 28–58. https://doi.org/10.1017/jlr.2025.10056

Aji, H. M., Berakon, I., & Husin, M. M. (2024). The risk of riba in buy now pay later: Evidence from Muslim consumers in Indonesia and Malaysia. *Journal of Islamic Marketing*, *15*(4), 1023–1041. https://doi.org/10.1108/JIMA-03-2023-0089

Aji, H. M., Husin, M. M., Othman, A. K., Hidayat, A., & Wan Rashid, W. E. (2024). Religious-based ethics and buy-now-pay-later re-usage intention among Muslim consumers in Indonesia and Malaysia: A commitment-trust theory perspective. *Cogent Business and Management*, *11*(1), 2363441. https://doi.org/10.1080/23311975.2024.2363441

Alsaghir, M. (2023). Digital risks and Islamic FinTech: A road map to social justice and financial inclusion. *Journal of Islamic Accounting and Business Research*, *16*(7), 1265–1282. https://doi.org/10.1108/JIABR-10-2022-0262

Alshater, M. M., Saba, I., Supriani, I., & Rabbani, M. R. (2022). Fintech in Islamic finance literature: A review. *Heliyon*, *8*(9), e10385. https://doi.org/10.1016/j.heliyon.2022.e10385

Dawood, H., Al Zadjali, F., Al Rawahi, M., Karim, S., & Hazik, M. (2022). Business trends & challenges in Islamic FinTech: A systematic literature review. *F1000Research*, *11*, 329. https://doi.org/10.12688/f1000research.109400.1

DinarStandard. (2025). *State of the Global Islamic Economy Report 2024/25.* https://www.dinarstandard.com

DSN-MUI. (2018). *Fatwa No. 117/DSN-MUI/II/2018 tentang layanan pembiayaan berbasis teknologi informasi berdasarkan prinsip syariah.* Dewan Syariah Nasional Majelis Ulama Indonesia.

DSN-MUI. (2021). *Fatwa No. 146/DSN-MUI/XII/2021 tentang transaksi jual beli daring.* Dewan Syariah Nasional Majelis Ulama Indonesia.

Ercanbrack, J. (2019). The standardization of Islamic financial law: Lawmaking in modern financial markets. *American Journal of Comparative Law*, *67*(4), 825–860. https://doi.org/10.1093/ajcl/avz010

Ercanbrack, J. G., & Ali, A. (2024). The new legalities of Islamic contractual interpretation: Institutional frameworks and the displacement of intention.

International Journal of Islamic and Middle Eastern Finance and Management, *17*(6), 1196–1212. https://doi.org/10.1108/IMEFM-03-2024-0156

Fidhayanti, D., Mohd Noh, M. S., Hanafi, H., & Satria, M. H. (2025). Regulatory frameworks in Islamic fintech: Comparative insights from Indonesia and Malaysia. *Jambura Law Review*, *7*(2), 664–695. https://doi.org/10.33756/jlr.v7i2.30447

Ghazali, M. F., Haron, R., & Bhatti, M. I. (2024). Al-ghunm bil ghurm as the legitimacy principle of profit in Islamic finance: Theoretical foundations and contemporary applications. *International Journal of Islamic and Middle Eastern Finance and Management*, *17*(2), 301–319. https://doi.org/10.1108/IMEFM-04-2023-0152

Ghazali, N. M., Md. Sawari, M. F., Ghalia, B., & Syed Jaafar Alhabshi, S. M. (2024). The fiqh maxim al-ghunm bi al-ghurm: A critique on interpretation of the maxim relating to the risk-return concept in Islamic banking and finance. *ISRA International Journal of Islamic Finance*, *16*(2), 4–19. https://doi.org/10.1108/IJIF-06-2023-0154

IFSB. (2009). *Guiding principles on Shari'ah governance systems for institutions offering Islamic financial services (IFSB-10).* Islamic Financial Services Board.

IFSB, & AAOIFI. (2020). *Revised Shari'ah governance framework for institutions offering Islamic financial services (Exposure Draft).* Accounting and Auditing Organization for Islamic Financial Institutions & Islamic Financial Services Board.

Islamic Fiqh Academy. (1990). *Resolution No. 53/2/6 on installment sale (6th session, Jeddah).*

Katterbauer, K., Syed, H., Genc, S. Y., & Cleenewerck, L. (2023). AI driven Islamic Buy Now Pay Later (BNPL): A legal analysis. *Journal of Management and Islamic Finance*, *3*(1), 1–19. https://doi.org/10.22515/jmif.v3i1.6671

Laldin, M. A., & Furqani, H. (2013). Developing Islamic finance in the framework of maqasid al-Shari'ah: Understanding the ends (maqasid) and the means (wasa'il). *International Journal of Islamic and Middle Eastern Finance and Management*, *6*(4), 278–289. https://doi.org/10.1108/IMEFM-05-2013-0057

Lotusia Group. (2024). *The rise of Southeast Asia's digital payment and e-commerce economy.* https://www.lotusiagroup.com

Mohd Noh, M. S., Nor Azelan, S. H., & Zulkepli, M. I. S. (2025). A review on gharar dimension in modern Islamic finance transactions. *Journal of Islamic Accounting and Business Research*, *16*(5), 976–989. https://doi.org/10.1108/JIABR-01-2023-0006

Monawer, A. T. M., Abdul Rahman, N. N., Al-Nahari, A. A. A. Q., Abdullah, L. H., Ali, A. K., & Meguellati, A. (2022). The actualization of maqāṣid al-Sharīʿah in Islamic finance: A conceptual framework. *International Journal of Islamic and Middle Eastern Finance and Management*. https://doi.org/10.1108/IMEFM-06-2020-0293

Muhammad, P., Arianti, F., Masum, A., & Rani, M. (2024). Actualizing Islamic economic law in the digital era: A study of the application of Khiyar al-Majlis in electronic contracts. *JURIS (Jurnal Ilmiah Syariah)*, *23*(2), 205–214. https://doi.org/10.31958/juris.v23i2.11573

Muryanto, Y. T. (2023). The urgency of sharia compliance regulations for Islamic Fintechs: A comparative study of Indonesia, Malaysia and the United Kingdom. *Journal of Financial Crime*, *30*(5), 1264–1278. https://doi.org/10.1108/JFC-05-2022-0099

Otoritas Jasa Keuangan. (2022). *Peraturan OJK No. 10/POJK.05/2022 tentang layanan pendanaan bersama berbasis teknologi informasi.*

ResearchAndMarkets. (2025). *Buy Now Pay Later global business report 2025.* GlobeNewswire. https://www.globenewswire.com

Smolo, E. (2026). Islamic finance in the digital age: Fintech as a civilizational tool. *Religions*, *17*(2), 218. https://doi.org/10.3390/rel17020218

Statista. (2023). *Number of BNPL users in Southeast Asia by country.* https://www.statista.com