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AL-AMWAL

Determinant of Risk Financing in Peer-To-Peer Lending on Sharia Perspective

[1]Izzun Khoirun Nissa,* [2]Moch Taufik Nur Sapto W, [3]Rahid Kurnia, [4]Roby Kurniadinata

[1234]Faculty of Islamic Economic and Bussines, Institut Islam Mamba'ul 'Ulum Surakarta
E-mail: *izunnisa2125@gmail.com, mochtaufiknur@gmail.com, rahidkurnia7@gmail.com, robydinata40@gmail.com*

Abstract

This paper aims to discuss the implementation of sharia fintech financing and risks that have the potential to occur in Indonesia. Fintech operational activities sharia with a peer-to-peer (P2P) financing model and risk mitigation can carried out to minimize the risks in Indonesia that make MSMEs as the main market segment. This paper discusses the development of sharia fintech in Indonesia and more specifically its contribution nationally. Case studies are derived from the platforms P2P which once get award as the best Sharia fintech in providing services to MSMEs in Indonesia. Finally, will closed with resolution sharia in finish financing problematic. This paper contributes to the development of sharia fintech Because give description difference risks fintech sharia with other sharia financial institutions because sharia fintech places more emphasis on risk sharing and not making financial intermediation institutions the only the only one risk bearer greatest liquidity.
***Keywords**: Peer to peer Lending; Risk Financing; Sharia Fintech*

Abstrak

Artikel ini bertujuan dalam menganalisis implementasi pembiayaan financial technology syariah dan berbagai resiko yang berpotensi di Indonesia. Pada kegiatan operasional *financial technology* syariah dengan model pembiayaan *peer to peer* dan mitigasi risiko bisa dilakukan untuk meminimalkan risiko di Indonesia yang menjadikan UMKM sebagai segmen pasar yang utama. metode dalam penelitian ini menggunakan metode deskriptif dengan pendekatan literatur review. Artikel ini akan membahas terkait perkembangan *financial technology* di Indonesia dan lebih spesifik kontribusinya secara nasional. Studi

kasus berasal dari salah satu platform yang mendapatkan penghargaan sebagai *fintech* syariah dalam memberikan layanan kepada UMKM di Indonesia. Dan pada akhirnya ditutup dengan resolusi syariah dalam menyelesaikan pembiayaan bermasalah. Dalam artikel ini memberikan suatu kontribusi bagi pengembangan Financial Technologi syariah lebih menekankan pada *risk sharing* dan tidak menjadikan lembaga intermediasi keuangan itu satu satunya penanggung resiko terbesar.

Kata kunci: *Peer to peer Lending; Risk Financing; Sharia Fintech*

INTRODUCTION

Business Micro Small and Intermediate (UMKM) is sector business whichmake a large contribution to the national economy in terms of numbers business units and workforce absorption in recent years. data from the department of cooperatives and MSMEs for 2016-2018 provides description how contribution MSMEs which has given field work for part big public Indonesia in age productive. Table1 provides information about the number of MSME businesses and large businesses in period 2016-2018. from the following data it appears that the number of MSMEs almost dominates when compared to large businesses by share market by 99.99%. Meanwhile, large businesses in terms of numbers only range 0.01% in period time.

Table 1.
Number of MSMEs and Large Businesses
2016-2018

Scales	**2016**		**2017**		**2018**	
	Amount (units)	Share (%)	Amount (orang)	Share (%)	Amount (orang)	Share (%)
Business Micro	103.839.015	89,31	107.232.992	89,17	107.376.540	89,04
Business Small	5.402.073	4,65	5.704.321	4,74	5.831.256	4,84
Business Intermediate	3.587.522	3,09	3.736.103	3,11	3.770.835	3,13
Usaha Besar	3.444.746	2,96	3.586.796	2,98	3.619.507	3,00

Source: Ministry Cooperative And SMEs (2019)

Table 1 also provides the number of MSME business units that have always experienced increase from year to year, temporary business big relatively more a little experienced an increase in numbers. this is of course understandable because of the stance for large businesses, there are many more things that need to be prepared than establishing them MSMEs. On the other hand, table 2 below provides an illustration of the amount of energy the work absorbed by MSMEs in the 2016-2018 period was quite large compared to workers who work in large businesses. for example, micro businesses able to absorb a workforce of 103,839,015 people (89.31%) in in 2016 and increased to 107,376,540 people (89.04%) in 2018. Temporary business big only absorb 3,444,746 person (2.96%) person on 2016 and increase become 3,619,507 person (3%) on year 2018 (www.kemenkopumkm.go.id, 2018).

Table 2.
Number of MSME and large business workers 2016-2018

Scale enterprises	2016		2017		2018	
	Amount (person)	Share (%)	Amount (person)	Share (%)	Amount (person)	Share (%)
Business Micro	103,839,015	89.31	107,232,992	89.17	107,376,540	89.04
Business Small	5,402,073	4.65	5,704,321	4.74	5,831,256	4.84
Business Intermediate	3,587,522	3.09	3,736,103	3.11	3,770,835	3.13
Business Big	3,444,746	2.96	3,586,796	2.98	3,619,507	3.00

Source: Ministry Cooperative & SMEs (2019)

Table 1 and table 2 in on has given proof that MSMEs has the potential for extraordinary economic power in Indonesia. but aside on the other hand, there are still quite a lot of MSMEs that are still experiencing difficulties or not can develop Because limitations capital and limitations access creditin banking. currently, MSMEs are experiencing several difficulties, including: capital and also access to banking which felt condition which too difficult (Widyaningsih, 2018). Matter this confirmed also with data from department MSME development – Bank Indonesia, which at the end of 2018 number MSME credit accounts provided by conventional commercial banks, banks sharia general, conventional BPR and sharia BPR are 16.4 million accounts with total outstanding financing of IDR 1,037.6 trillion (Bank Indonesia, 2018). It means still very small very portion access MSMEs to banking in Indonesia.

This is certainly an opportunity and a challenge for intermediation institutions finance in Indonesia to be able to provide solutions to weak access MSMEs towards capital. On the one hand, MSMEs are closely linked to customer profiles Which own model business which own management traditional and informal, lack of professionalism, limited market access, not separating business assets with personal assets, and do not have adequate fixed asset collateral. This matter of course with more formal large businesses, professional management, access market wide, literacy finance which good, as well as own asset still which made guarantee. Sector banking formal which owned regulations of course will tend to look at large businesses with clear potential compared to MSMEs with an overview of the potential that still needs further investigation. Although matter this not yet of course fully correct (Fatinah & Wartoyo, 2023).

On the side other, a number of year final start popping up platforms application online loans and financing as known as financial technology (Rusydiana, 2018). Financial technology is innovation in product and service finance Which done with optimization use of information technology (Lee & Teo, 2015). Meanwhile the company technology financial this also can classified as: (a) company information technology and software that supports and facilitates industry finance in providing information technology-based services to stakeholders; (b) start-up information technology companies (*Startup)* and small-scale companies that innovate to provide services financial intermediation that is more easily accessible and has opportunities for disrupt industry finance which already more formerly established.

There is two type platforms technology financial which develop in world, namely those oriented towards the commercial sector *(profit orientation)* and sector social *(non-profit orientation)* (Lenz, 2016). In practice, technology the most popular financial technology currently is *peer-to-peer lending (P2P),* namely a platform that connects investors who have more funds and partners businesses that need capital to develop their business. Indonesia has own paying law activity operational P2P that is with regulation financial services authority Number 77/ POJK.01/ 2016 concerning loan services borrowing money based on information technology. This regulation provides permission for organizer service finance for bring together between giver loan and borrower for stage agreement borrow via the financial technology platform. Early model which offered in this platform is borrow conventional borrowing. Along the way, in line with the development of the financial industry sharia which is characterized by the development of sharia banking, sharia insurance, market capital sharia, as well as instruments finance sharia other which use contracts sharia, so technology contract-based finance Sharia transaction contracts are also developing in Indonesia (Rusydiana, 2018).

Therefore, this paper will discuss one P2P service provider which provide product based contract sharia and make MSMEs as market mainly that is PT Amartha Micro Fintech. wrong one reason main he chose platforms this because has 3 years consecutive get the Anugerah Syariah Republika (ASR) award in 2017, 2018, and 2019 with award special for Financing Business Micro Best For category Fintech Sharia. This Paper will focus discuss a number of matter between other: *First*, development Islamic Financial Technology and in a way special in Indonesia. *Second*, discuss about pattern financing sharia and the risks that will be faced and the risk mitigation. *Third*, explain how the Amartha Mikro Fintech platform works, the risks faced, and implemented risk mitigation. Fourth, this paper will provide a resolution financing problematic from perspective sharia and its implementation in Amartha Micro Fintech. finally, this paper will close with a conclusion, suggestions and recommendations for investors, MSME players and internal regulators responding to developments in sharia financial technology and possible risks risk which will faced.

LITERATURE REVIEW

Sharia Fintech

Financial technology (Fin-tech) is an innovation carried out by provider service intermediation finance Which combine transactions finance through optimization function technology information with contracts that use sharia transaction schemes (Nafiah & Faih, 2019). Transactions carried out by sharia *fintech operators* general Also used with institution finance sharia like banking sharia. However thereby, there is connection law which different with which done by banking sharia where, bank sharia become subject law that directly deals with customers. While operator Sharia fintech, is not directly a subject of dealing with law with customers, but as an intermediary who provides an intermediate marketplace investors with partner his business (Subhan et al, 2023).

Fintech is starting to develop in Indonesia for several reasons which rational: *First* , Indonesia is country with resident muslim the largest in the world with a total population of more than 200 million Muslims; *Second* , The level of financial literacy that is still low is particularly indicated by Bank account ownership is still low at around 37% (Rahadiyan & Sari, 2019); Third, access for MSMEs to obtain financing for the sector banking is also still low at around 30% of the total MSMEs in Indonesia (Widyaningsih, 2018); and *fourth* , the level of internet users in Indonesia quite high, around 54.7% of the total population or equivalent to 143.3 million population (Rahadiyan & Sari, 2019). This is certainly an opportunity for *fintech* sharia to take a role in being able to provide services with contracts transaction sharia.

In connection with potency development *fintech* sharia the, The National Sharia Council (DSN) of the Indonesian Ulema Council (MUI) saw the urgency it was published Fatwa Number 117/DSN-MUI/II/2018 about Service Information Technology based financing based on sharia principles for give certainty base sharia for implementation transaction contract- sharia contracts held by *fintech platform provider operators* sharia good with model peer-to-peer financing or crowdfunding. Subject law which arranged in fatwa This also covers organizer (operator sharia *fintech* platforms), recipients of financing (business partners), and givers financing (investor). Contracts Which Can applied in in service This between others: buying and selling, *ijarah, musyarakah, mudharabah, qardh, wakalah* and *wakalah bil al-ujrah* (Wartoyo, 2020).

The fatwa also regulates several sharia provisions general understood together between other: avoid transaction ribawi, which *contain gharar, maysir tadlis, dharar* and *haram*. Besides that's a transaction It is necessary to pay attention to the values of balance, justice and internal fairness framework sharia and rule law positive in Indonesia. proof happen real transactions also need to be realized in the form of electronic certificates valid and relevant. In addition that the transactions executed are necessary ensure that profit sharing portions, prices, service fees *(ujroh)* are in line with the principles sharia. In this way sharia fintech can guarantee the public with product halal which marketed.

***Peers to Peers Lending* in Indonesia**

Wrong One model business *fintech* sharia which enough popular is using *peer to peer lending (P2P)* (Rusydiana, 2018). This model is revolution giving financing which strategic specifically in era development technology information Which Enough fast This (Chai *et al.* , 2016). Platforms P2P reduce function institution finance conventional, like bank, which previously very dominant in the financing distribution process so that separate connection between owner and partner business which utilize these funds. Meanwhile, with this P2P platform, an investor as if in direct contact with the customer through the media or platforms which developed by providers platforms P2P (Saputra, 2019).

Platforms P2P give convenience for the user, good candidate investors and potential customers/business partners in meeting their needs respectively in terms of investment portfolio choices and financial access. From for potential investors, P2P provides information regarding possible investment options selected by providing *a marketplace* that provides business information businesses that can be provided with financing include the parties who will accept financing the good individual nor body law commercial.

Risk Financing and Mitigation Risk *Fintech* Sharia

Islamic Financial Service Board (IFSB) based in Kuala Lumpur, Malaysia releases standards on risk management for islamic financial entities which in principle can also be used by the *sharia fintech industry*. Standard issued in 2005 generally explains 6 risks that the sharia financial industry has the potential to face include: credit risk, equity-based investment risk, market risk, liquidity risk, share rate risk results, and operational risks (IFSB, 2005). At the end of the standard, the related issues are also explained role Board Supervisor Sharia (DPS) in give his contribution in control risk.

Credit risk relates to the risk of potential financing failure carried out by *sharia fintech* due to lack of accuracy in managing and monitoring business development or customers' ability to pay or business partners. Moreover, sharia financing has different variants with contracts loan conventional which only use one instrument price that is level flower *(interest rate)*. Temporary financing sharia can use pattern sell buy, for results, and lease where each scheme financing own potency risk alone. for example, *murabahah* financing has lower risk compared to *mudharabah* because financing *murabaha* use scheme price principal and margins temporary *mudharabah* use patter profit sharing where the principal capital may not be returned in stages (Muhammad, 2019). Mitigation risk which can done on condition failure payment between other: (a) do scheduling payment *(rescheduling)*; (b) restructurisation financing *(restructuring)* ; (c) execution guarantee; or even (d) deletion *(write-off)* financing (Wartoyo et al, 2024).

Equity-based investment risk is a special risk experienced in the implementation of *mudharabah* and *musyarakah* contracts where both this contract is oriented towards financing with a cooperation pattern and sharing model good results with income sharing or *Profit or Loss Sharing (PLS)* . this risk has the potential to arise if the provider is not careful in analyzing partner data efforts in the previous period were specifically related to character and ability business partner business, scale business, planning business, and guarantee which possible owned by business partners. Especially in implementing *P2P lending* transactions more prioritize profile based on report compared to observation field because limitations range and source power. Mitigation risk can be arranged, among other things: (a) providing funding in stages to business partners while assessing risk levels in stages; (b) do monitoring business partner in a way periodic; (c) determine time appropriate to stop financing; and (d) provide additional time with hope for business partners can walking more and more good. Risk market is risk related with potency exists price changes due to financing products offered by the provider related to certain commodities such as price differences product (in *murabahah* transactions), currency exchange rate (if involving commodities with prices based on foreign exchange), prices of certain commodities that fluctuating in market, And change mark asset certain. In transaction *fintech sharia* with the *P2P lending pattern* , it is very possible for such potential risks to occur This is for example the pattern of buying and selling goods involving certain commodities where the provider needs to provide goods ordered by the customer or partner with duration time certain so that Possible happen change price beyond the seller's expectations while the contract has been previously signed. Therefore, risk mitigation that can be done includes: (a) doing monitoring external conditions for a certain period of time, for example exchange rate, price commodity certain, or prices offered competitors other; (b) do evaluation on asset possible no available the data in the market; and (c) reserve a certain amount of funds to anticipate risks happen in period will come.

Risk liquidity is risk on ability entity in settle its short-term obligations. Meanwhile, sharia *fintech* providers has a different character from sharia financial institutions such as banks sharia or sharia insurance companies that make liquidity a important instrument. Meanwhile sharia *fintech providers* occupy the position where liquidity is not the main aspect of the business because in principle, they only act as intermediaries between investors and customers or business partners, where the greatest risk will be borne by investors as fund owner. However, sharia *fintech providers also need to back up* funds to finance operational activities that use human resources have higher competency qualifications because they relate to mastery technology information.

METHODS

This research uses descriptive methods and approaches using literature review. Literature review is describing a theory or findings obtained from various sources used or used as a basis / reference in solving a problem. Type approach used in study This is studies literature obtained from several sources. This research uses qualitative descriptive methods, especially in formulating mitigation strategies risk in practice financing in industry *fintech sharia* (Noer & Rahmanto, 2019). The research is descriptive, meaning that this research will describe and interpret the results of findings and observations regarding a *sharia fintech application platform*, especially *P2P* lending in a way special serve partner business MSMEs. Types risk experienced of course it is different from other sharia financial institutions because of its use information technology and physical distance constraints that create risks in the *fintech sector Sharia* requires a risk mitigation formulation that is different from the model finance conventional.

The data used in this research is secondary data, namely the type in a way scientific support topic study this between other: book, article, journals, Financial Services Authority and Bank Indonesia reports, internet, and sources other in a way scientific relevant. Article and journal related with development conventional and sharia *fintech are* the *main ingredients as references for* analyze the development of the *fintech industry*, the general risks experienced by the Islamic financial industry, and normative risk mitigation. Other materials used is the material on the *P2P lending* platform website The sample for this research was PT Amartha Mikro Fintek. The material analyzed include: the history of platform development, how it works, management risk which applied as well as mitigation risk applied in platforms.

Data analysis uses a descriptive qualitative approach documents obtained and explain room scope *fintech* researched sharia. Risk management analysis and risk mitigation using the perspective of sharia financial institutions which have a different character from conventional financial institutions. Armed with the basic differences in character, then researchers can formulate strategies offered based on values sharia like which explained in part end study this form resolution financing problematic in framework muamalah which put forward principle of benefit. The empirical data obtained and analyzed will helps writers to formulate conclusions, suggestions and recommendations for stakeholders which related with *fintech* sharia.

RESULT AND DISCUSSION

Amartha Micro Fintech

PT Amartha Micro Fintech or Amartha is company peer-to-peer lending financial technology which was founded in April 2010 by Andi Taufan Garuda Putra with the initial legal entity in the form of a cooperative Amartha Indonesia. Objective beginning establishment entity business this is for provide affordable financial access for rural communities can develop businesses on a small and micro scale. The business model developed by Amartha is by giving funding group for mothers household each of them has member 15-25 people with joint liability guarantee. Joint liability is how to mitigate risk by raising funds together among group members for member group other experience failure pay installments.

In 2015, Amartha started running its business model with P2P *lending marketplace platform*. Furthermore, in 2017 Amartha had officially registered with the Financial Services Authority (OJK) under the Institutional Directorate and IKNB (Non Bank Financial Industry) products in accordance with POJK number 01-77-2016 about service borrow borrow money based technology information. At the end of 2017, Amartha received three awards including from KADIN DKI Jakarta, Republika Syariah Award, and Marketers. Especially from the 2017 Syariah Republika (ASR) Award, Amartha received award special *fintech* make a promise sharia. Then, on end In 2019, Amartha also received an award as *fintech* with financing business micro best for category *Fintech* Sharia from GraceSharia Republica (ASR) 2019.

Platforms Amartha experience growth distribution financingwhich is quite significant in the last 3 years. In 2018, Amartha was able channel financing as big as Rp 705.4 billion with segment customers170,054 customer partners are women. This number is increasing steadily significant compared to the previous period was only around IDR 200 billion with ± 70,000 customers. At the end of 2019, Amartha was able to distribute funding of IDR 1.6 trillion to more than 343,000 partners in 5,200 villages in Java and Sulawesi.

Amartha still has the operational license as a provider information technology based money lending and borrowing services POJK Number 77/01-2016 with a conventional lending model. However, actually in the practice amartha has use draft sharia in activity its operations including contract and approach treatment financing between investors and partner its customers. On month April 2020, appropriate10 years Amartha stand, platforms this confirm use principle shariawith launch product sharia amartha and start repair system manage his organization with pointing a Board Supervisor Sharia (DPS).

The Model of Amartha Financing

Amartha has a different way of working from financing entities other. There is a number of instruments used in process the financing implemented is: (a) group financing *modellending)* ; (b) loans for productive businesses; (c) existence of credit insurance; (d) weekly installment payments *(weekly repayment)* ; and (e) use of analysis ratings partner customers *(credit scoring)* .

Picture. 1
Source: Amartha.com (2020)

Financing by platforms Amartha is with form a group consisting of 15-25 members with nearby domiciles. each group will hold periodic meetings which are always monitored by agents appointed by Amartha. Member group must follow training for build commitment not quite enough jointly if wrong one member experience difficulty payment. Furthermore, the financing orientation is aimed at the productive sector to be able to improve the economic level of small communities through businesses business sector real.

Installments paid in a way weekly and affordable with notice profile and capacity recipient loan. Amartha will providing weekly assistance regarding managing funds for the house ladder and business recipient loan. They will ensure that loan recipients are able to pay on time. During the loan period,recipient loan required follow meeting group weekly which facilitated by Amartha with material regarding, among other things, financial management, discipline, as well as ways advance business.

Funding applications are based on the business plan and profile of the prospective recipient loans and evaluated based on a credit scoring system. Funding application will display in *marketplace* after Approved and contract facilitated Amartha after funded. Amartha also using the technology score credit with approach machine learning for ensure validity data which generated as material information to para candidate investors. Process selection prospective loan recipients use a credit scoring algorithm to assess appropriateness based on analysis business and personality. Grades A, A- until E represent possibility success pay and potency risk or possibility fail pay. Besides That, Amartha cooperate with Company Jamkrindo Credit Guarantee and Life Insurance for partners, to reduce risk funding.

The Analysis of Risk Amartha Financing

As is the financing provided by the financial entity, Amartha also provides *exposure* to the risks that may be experienced in process financing that is risk general funding. Risk funding on peer-to-peer lending, that is risk fail pay recipient loan. Amartha advise potential funding providers to study and understand risks associated with the characteristics of the funding so that it can carry out considerations and make the right decisions. General funding risks experienced include: *First* , financial risk in the form of difficulty paying for loan period long because income which no still. Partner Amartha's business does not have collateral which causes difficulties find out the loan eligibility of prospective business partners. Still don't have access to institution banking. Own current income No regular/seasonal. Prone to for change business depend season and environment.

As illustration that investors will know level potency Financing failure is characterized by the level of default by business partners through information related level success indicated with The TKB90, for example, was announced in May 2020 through website Amartha.com that TKB90 on moment that as big as 99.38%.This means that problematic financing is around 100% - 99.38% = 0.62%, or still under 1%. Amartha just not do analysis profile partner business with develop score credit, However also do approachpsychology and personality to reduce the potential risk of process failure financing specifically from side partner business.

Risk Mitigation of Amartha Financing

Risk management in Sharia financial entities is certainly different from Conventional financial entities are specifically related to the basic principles that used, values which is adhered to as well as executed contract (Al Rahahleh *et al* ., 2019). Entity finance face potency risk between other Which nature systematic and non-systematic. Systematic risks, for example business risks such as fluctuations in the *rate of return risk* and potential transfer of funds customers *(displaced commercial risk)*. Whereas risk non-systematic for example risk system manage (*governance risk*) which covers risk operational, risk reputation, And risk obedience sharia. Entity finance Sharia Also face risk that conventional financial entities also commonly face, such as market risk, credit/financing risk, and capital risk (Drissi & Angade, 2019). So that Management of Sharia financial entities needs to understand the risks which could potentially be faced by *peer-to-peer lending platforms*, such as Amartha for compile mitigation risk which in accordance with the condition.

Management Amarta compile a number of procedure and mechanism for anticipate beforehand the risk of failure from good financing point of view customer partners who manage funds and provide protection for investor funds For increase trust investors at a time minimize exists *displaced commercial risk. First*, Amartha has a protection program risk for ensure return principal funding with work the same with one of Indonesia's credit guarantee insurance providers. Every partner Amartha's business will be protected by life insurance and possible options additional protection against payment failure due to certain factors. However thereby, of course Amartha not yet work the same with insurance sharia for program protection sort of this.

Second, from corner look investors management platforms Amartha provide a guarantee of fund security by organizing *an escrow account* and *virtual accounts* as required under authority regulations financial services number 77/POJK.01/2016 concerning lending and borrowing services money based technology information. Regulation the state that:

"Every transaction and *lending* and *borrowing activity or implementation of an agreement about borrow borrow between or which involve Organizer, Giver Loan* and*/or Recipient Loan must done through escrow accounts* and *virtual account"*

Violation or non-compliance with these provisions constitutes proof has happen violation law by organizer so that the organizer is obliged to bear the compensation suffered by each party users as a direct result of violations of the above laws without reduce right user suffer loss according to book constitution law civil.

Third, Amartha own formulate steps *Business Continuity Plan (BCP)* to ensure operational activities continue to run under certain conditions including *force majeure conditions*. This matter very seen specifically on moment happen pandemic *Corona Virus Disease (Covid)* in 2019 which is also commonly referred to as *Covid-19*. Public policy is applied in conditions like this is to tighten agreement financing and process distribution financing in a way selective and measurable. Specifically, Amartha's risk management team determined several problem handling criteria based on certain assessments due to MSMEs which is the object of financing is greatly affected by environmental conditions which is then limited by the provisions of *social distancing* and social restrictions conditional.

For example, Amartha enforces process service with small groups with a maximum number of 5 people and facilitate the entrustment processpay. Amartha also sets several criteria for areas according to their status issued by the government such as the red zone, yellow zone, and green zone. The zone color determines the *SOP (Standard Operation Procedure).* will be implemented and adapted to environmental conditions and business partners Amartha. In this process, Amartha also always maintains relations with investors in order to ensure that investors' funds are in good position safe sake minimize exists *displaced commercial risk.*

The Sharia Perspective Analysis

Islam has regulated the law on debts and receivables very clearly as regulated in the Qur'an Surah Al Baqarah [2]: 282 which contains several points related to the obligation to record its existence debts and receivables clearly in terms of amount, time period, and presence of witnesses in process the (Budiman, 2018). In Al Koran Letter Al Baqarah [2]: 280, further explains that if someone is in debt experiencing difficulties, the owner of the funds is asked to provide deferral or leeway time in finish obligation until person the has the ability to complete its obligations (Salamah & Hendry, 2018).

Amartha *Platform* also do efforts monitoring to conditions of business partners whose position is that of customers who are having difficulty accessing financial institutions such as banking, does not have asset collateral fixed, and perhaps even daily income cannot be determined completely certain. Matter here it is which become challenge for manager platforms Amartha in compile scenario guarantee will fund investors distributed through *platforms* Amartha. However thereby, management *platforms* Amartha develop a guarantee model that does not focus on fixed assets but more on the profile of business partners who have good credibility and are capable trusted through score credit which updated in a way keep going continuously so that investors have other guarantees of trust that are more fair and appropriate principle Sharia Because no burdensome partner business.

CONCLUSION

Based on the discussion, intermediate conclusions can be drawn others: *first*, the development of sharia *fintech* has contributed deeply increasing financial literacy at the level of MSME actors in Indonesia the number is very large and the market still has potential for development. Fintech sharia which operate in a way commercial in form *fintec*h sharia

Second, PT Amartha Micro Fintech is a sharia *fintech provider* with *P2P* lending give service financing with draft sharia with target market is MSMEs Which all its customers is mothers who are members of groups. That group always monitored and fostered by Amartha agents to increase capacity and ability in business. Amartha also faces potential risks failure in process financing and compile mitigation risk which systematic for minimize risk failure pay by partner business/ customers. Communication process with investors via social media and email become part important for give information development partner efforts and risk mitigation carried out by Amartha when faced with a situation which not enough profitable.

Third, sharia resolutions provide various solutions in conditions happen failure payment by partner business/customer where providers fintech sharia in communicate with investors so that can give relief in process payment installments. Islam teach to us for give concessions for our partners who experience difficulty in fulfilling their obligations. This is of course very relevant in the context of sharia fintech where the fintech provider sharia has the opportunity to provide advice to investors for provide relief in the financing settlement process because of its existence condition certain. Temporary providers fintech sharia also monitor progresspartner business in finish the problem and even in something condition sharia *fintech* providers can also provide moral and material assistance to business partners/customers to speed up the process of resolving problems accordingly with principle convert in accordance with values Islam.

Based on conclusion in on, so this paper provides suggestions and recommendation to parties which involved in development *fintec*h sharia, as following: *first*, regulators in matter this FSA need immediately develop sharia *fintech monitoring* and governance instruments supervision the sharia. Provision about activity operational fintech Sharia that is in accordance with the DSN-MUI fatwa needs to be formulated immediately The obligation of DPS to improve the quality of sharia compliance *fintech* sharia. *Second*, sharia *fintech actors/providers need to prepare* instrument supervision internal sharia which can support work DPS as well as develop risk mitigation mechanisms that can involve social entities for example, zakat and waqf management organizations can help in process mitigation risk related partner business/customer which experience failure is part of the asnaf of zakat. Third, investors and candidates passive partners need to study well the working mechanisms of sharia *fintech* so that on moment follow inclusion capital in financing through fintech sharia understand fintech sharia operational activities of fintech sharia so that minimize conflict with partner business or providers fintech sharia because misunderstanding fill from contract.

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