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The Sharia Funding Risk Issues in Fintech Securities Crowdfunding: Realization of Legal Certainty in the Shari'ah Perspective

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Abstract

Introduction: *In the era of globalization and information technology, fintech is transforming the financial sector, including fintech securities crowdfunding, which is a funding model based on the participation of many small investors. In the context of sharia, sharia principles regulate financial transactions and services, while crowdfunding fintech securities is a popular phenomenon in sharia funding, but requires investor protection regarding investment risk and legal protection.*
Purposes of the Research: *To analyze the legal certainty of protection for investors who invest in Islamic funding through fintech securities crowdfunding in Indonesia and analyze the risks faced by investors in this context.*
Methods of the Research: *This study uses qualitative normative legal research methods to understand legal certainty and investor protection in Islamic funding through Fintech Securities Crowdfunding. Data collection was carried out through literature study and then analyzed qualitatively to identify patterns, themes and related issues.*
Results of the Research: *Sharia funding through Fintech Securities Crowdfunding in Indonesia provides attractive Islamic investment opportunities but also involves various risks such as business risk, liquidity, legal, sharia, and others. Legal certainty regulated by Financial Services Authorityand Sharia Supervisory Board is the key in providing protection to investors. OJK regulations ensure information transparency and compliance with sharia principles, so that investors can invest with confidence according to sharia values. Thus, an investment ecosystem that has integrity and is inclusive within the sharia framework can be realized.*

1. INTRODUCTION

In the era of globalization and advances in information technology, the financial sector has undergone a significant transformation. One of the important developments in this sector is the emergence of fintech platforms that provide a variety of digital financial services, including crowdfunding fintech securities. In principle, crowdfunding is a funding model that involves the participation of many small investors to support certain projects or businesses. In the context of sharia, financial transactions and services are governed by sharia principles which include the prohibition of usury (interest), gharar (uncertainty), maisir (gambling), and usury (injustice). In addition, in this digital era, fintech has also become a disruptive force in the financial sector, including sharia funding. Sharia funding through crowdfunding fintech securities is becoming an increasingly popular phenomenon in the modern financial industry.[1] Fintech provides technological innovation to facilitate fast, efficient and easy financial transactions, while crowdfunding enables individuals and companies to raise funds from a large number of investors through online platforms.

The combination of these two models, namely Fintech Securities Crowdfunding, especially sharia-based ones, has attracted investors who wish to invest in accordance with sharia principles. For investors, sharia funding is through a mechanism crowdfunding offers attractive investment opportunities with the potential for profitable returns. However, as with any other form of investment, there are risks involved in Islamic financing.[2] Therefore, in dealing with the development of crowdfunding fintech securities, investor protection in sharia funding is essential. Sharia principles need to be considered carefully to ensure that investments and funding are made according to religious requirements. Legal certainty in the protection of investors related to risk in Islamic funding through Fintech Securities Crowdfunding is a crucial issue in the world of Islamic finance.

In the context of the sharia economy, legal certainty is one of the main principles that must be upheld to ensure that financial transactions run according to Islamic teachings. Risk in investing is a natural thing, but on the other hand, protection for investors is a top priority in efforts to reduce these risks.[3] Fintech Securities Crowdfunding is a funding model that utilizes financial technology (fintech) to connect investors with fund recipients, especially in the form of securities or financial instruments.[4] Through online platforms, Fintech Securities Crowdfunding enables companies or projects to raise funds from a pool of investors by offering shares, bonds, or other financial instruments in return. This provides investment opportunities to individuals or entities seeking funding, while also granting investors access to a more diverse investment portfolio. Additionally, some Fintech Securities Crowdfunding platforms also offer Shariah funding, ensuring that investment activities adhere to Islamic Shariah principles. The phenomenon of Fintech Securities Crowdfunding or collective funding through financial technology has become a popular choice for investors to invest in projects that comply with sharia principles. However, efforts to seek comprehensive legal certainty from a sharia perspective to protect investors from risk are necessary, because transactions and regulations in this context are still in the development stage and are often in a gray area.

In an environment of sharia funding through Fintech Securities Crowdfunding, investors must be ensured that they receive adequate protection regarding risks that may occur. Some of the relevant risks include default risk, liquidity risk, risk of failure of the funded company, and risk of alignment with sharia principles.[5] Therefore, legal clarity and protection mechanisms are needed for investors to ensure that their investments are carried

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[1] Indriana and others, 'Fintech Equity Crowdfunding Syariah Sebagai Solusi Akses Permodalan UMKM', *BISNIS : Jurnal Bisnis Dan Manajemen Islam*, 10.1 (2022), 1 <https://doi.org/10.21043/bisnis.v10i1.13142>.

[2] Komite Nasional Ekonomi Keuangan Syariah, *Modul Securities Crowdfunding (SCF) Syariah Untuk Investor*, 2022.

[3] Amalia Syarifah and others, 'Layanan Equity Crowdfunding Perspektif Prinsip', 2021.

[4] Gigih Prahastoro, Firdaus Yuni Dharta, and Rastri Kusumaningrum, 'Strategi Komunikasi Pemasaran Layanan Securities Crowdfunding Dalam Menarik Minat Masyarakat Untuk Berinvestasi Di Sektor Ukm', *Kinerja: Jurnal Ekonomi Dan Manajemen*, 18.2 (2021), 210–17.

[5] Siti Anisah, 'Perlindungan Hukum Terhadap Pemodal Atas Risiko Securities Crowdfunding', *Prosiding Seminar Nasional Hukum Perdata*, 2021.

out safely and in accordance with sharia principles. In the context of investor protection in sharia funding through crowdfunding fintech securities, there are several relevant laws and regulations that need to be considered, including:

a) Law Number 21 of 2008 concerning Islamic Banking: This law regulates the principles of Islamic banking which form the operational basis of Islamic financial institutions, including in terms of funding and investment
b) Law Number 11 of 2020 concerning Job Creation: This law includes regulations related to the economic and investment sectors, including efforts to encourage the development of fintech in Indonesia
c) Financial Services Authority (OJK) Regulation No. 37/POJK.04/2018 concerning Fintech Services: This regulation regulates general principles in the implementation of fintech services in Indonesia, including in terms of consumer protection
d) Financial Services Authority (OJK) Regulation No. 39/POJK.04/2019 concerning Technology-Based Financing Companies: This regulation regulates more specifically technology-based financing companies, which are also relevant in the context of crowdfunding fintech securities.
e) Law Number 8 of 1999 concerning Consumer Protection: This law is important because investors in sharia funding through fintech securities crowdfunding can be considered as consumers who are entitled to legal protection of their rights.

The need for legal certainty to protect investors from potential risks in Shariah investments is crucial. These risks include default risk, liquidity risk, the risk of funded company failure, and compliance with Shariah principles. This research aims to address these issues and seek legal solutions within the existing regulatory framework, such as Shariah banking laws, fintech regulations, and consumer protection. It is essential to ensure that investors in Shariah financing through fintech securities crowdfunding can invest safely and in accordance with Shariah principles. By understanding this background and researching the relevant laws and regulations, this research has the following problem formulation: 1) What is the legal certainty of protection for investors investing in sharia funding through fintech securities crowdfunding in Indonesia, based on the applicable laws and regulations?; 2) What are the risks faced by investors in sharia funding through Fintech Securities Crowdfunding, and how is legal certainty regulated to protect investors from these risks from a sharia perspective?

A similar study has been conducted, namely the research by Muliana, Nurbaiti & Harahap (2023) titled "Analysis of the Development of Shariah Fintech Securities Crowdfunding (SCF) According to the Perspective of Maqasid Shariah Using the Nvivo Method." The results show that the development of Shariah Securities Crowdfunding is growing rapidly. Considering the potential growth of Shariah crowdfunding worldwide, Indonesia needs to consider the growth of Shariah crowdfunding as a means to enhance the economy of the society. Legal issues related to Shariah crowdfunding practices need to be supervised by the National Shariah Council to ensure compliance with Maqasid Shariah so that the public can invest or use Shariah crowdfunding platforms without hesitation. [6] The novelty of the research I will conduct, titled " The Sharia Funding Risk Issues in Fintech Securities Crowdfunding: Realization of Legal Certainty in the Shari'ah Perspective," adds

[6] Muhammad Ikhsan Harahap Muliana, Nurbaiti, 'Analisis Pengembangan Fintech Securities Crowdfunding (SCF) Syariah Menurut Pandangan Maqasid Syariah Menggunakan Metode Nvivo', *Syarikat: Jurnal Rumpun Ekonomi Syariah*, 6.2 (2023), 233–46.

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a new contribution by focusing on funding risks in the context of Shariah-based Fintech Securities Crowdfunding (SCF). While similar research has been conducted by Muliana, Nurbaiti & Harahap (2023) examining the development of Shariah SCF from the perspective of Maqasid Shariah, this research further explores legal issues related to funding risks on Shariah crowdfunding platforms, with the hope of providing more concrete guidance in ensuring legal certainty and compliance with Shariah principles. This is crucial in promoting the growth of Shariah crowdfunding in Indonesia and building public trust in investments and the use of crowdfunding platforms aligned with Shariah values.

The research objective of the two problem formulations is to analyze the legal certainty of protection for investors investing in Islamic funding through crowdfunding fintech securities in Indonesia and to identify and analyze the risks faced by investors in this context. This study aims to evaluate the effectiveness and suitability of related laws and regulations as well as investigate how legal certainty is regulated to protect investors from risks such as default, liquidity, business and legal risks. This research is expected to provide in-depth insight into these issues and identify efforts that can be made to increase investor protection in Islamic funding through crowdfunding fintech securities. Thus, this research will make a significant contribution to the overall development of the Islamic finance and fintech market, as well as strengthening the principles of shari'ah in the modern financial industry.

2. METHOD

This study uses normative legal research methods that are qualitative in nature to explore an in-depth understanding of the legal certainty of protection for investors investing in Islamic funding through Fintech Securities Crowdfunding. The qualitative approach allows the researcher to comprehensively explore the perceptions, views, and understanding of the research subject.[7] In this approach, analysis of statutory law and the context of shari'ah. This study uses an analytical descriptive approach. A descriptive approach is used to describe and analyze in detail the legal certainty and protection that exists for investors in sharia funding through Fintech Securities Crowdfunding. An analytical approach is used to describe and analyze data obtained from various sources in order to gain a deeper understanding of risk and legal certainty from a shari'ah perspective. The sources of legal material in this study include relevant laws and regulations related to the Islamic financial system and fintech in Indonesia, such as Law Number 21 of 2008 concerning Islamic Banking, Financial Services Authority (OJK) regulations related to fintech, and regulations related to crowdfunding. In addition, sources of legal materials also include legal literature, articles, journals, and shari'ah guidelines relating to the protection of investors in sharia and fintech investments. Data collection was carried out through literature study to identify and analyze relevant laws and regulations. The data obtained is then analyzed qualitatively to identify patterns, themes, and issues related to legal certainty and investor protection in sharia funding through Fintech Securities Crowdfunding from a sharia perspective.

3. RESULTS AND DISCUSSION

[7] Umar Sidiq and Moh. Miftachul Choiri, *Metode Penelitian Kualitatif Di Bidang Pendidikan*, *CV. Nata Karya* (Ponorogo, 2019) <http://repository.iainponorogo.ac.id/484/1/Metode Penelitian Kualitatif Di Bidang Pendidikan.pdf>.

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3.1 The Legal Certainty for Protection for Investors Investing in Sharia Funding Through Fintech Securities Crowdfunding in Indonesia

Sharia funding through Fintech Securities Crowdfunding has become one of the investment trends that is attracting interest in Indonesia. In an era where financial technology continues to grow rapidly, this method offers an attractive alternative for investors who wish to invest in sharia. In a sharia funding scheme, a crowdfunding platform offers an opportunity for investors to invest in a business or project in accordance with Islamic sharia principles. However, like other financial developments, the presence of this crowdfunding platform also raises questions about legal certainty and protection for investors. In the investment context, investors bear risks that need to be managed wisely.[8] It is in this context that it is important to understand the rules and regulations that apply in Indonesia to protect the rights and interests of investors. The role of the Financial Services Authority (OJK) as a supervisory and regulatory body for capital and financial markets is key in creating a safe and reliable investment environment. In this discussion, we will explore the various risks faced by investors in Islamic funding through Fintech Securities Crowdfunding in Indonesia. These risks include business risk, liquidity risk, legal and regulatory risk, sharia risk, platform failure risk, loss of capital risk, information disclosure risk, and issuer or issuer bankruptcy risk.

Each risk has its own implications for investors and must be well understood before they make investment decisions. On the other hand, legal certainty is also a crucial factor in providing protection for investors from these risks. Rules and regulations issued by the Financial Services Authority (OJK) become the legal umbrella governing crowdfunding platforms and sharia finance companies. OJK ensures that platforms and securities issuers must provide clear, accurate and transparent information to investors about the risks associated with the investment being offered. In addition, investors have the right to know that the investment they are making is in accordance with sharia principles.[9] In the sharia context, legal certainty also stipulates that crowdfunding platforms and sharia finance companies must operate in accordance with sharia principles that have been established by the Sharia Supervisory Board (DPS) or the relevant sharia authority institution. It is important to ensure that investments are made ethically and in accordance with Islamic teachings.[10]

Through existing regulations, investors who invest in Islamic funding through Fintech Securities Crowdfunding in Indonesia are expected to receive some form of protection. Information transparency required by OJK regulations provides a better understanding of investment products and the associated risks. Consumer protection regulated in OJK regulations ensures that the rights of investors are maintained and provides a dispute resolution mechanism if there are problems. The existence of DPS as a sharia authority institution also ensures conformity of investment products and processes with established sharia principles. In this discussion, dig deeper into the risks faced by investors in sharia funding through Fintech Securities Crowdfunding in Indonesia, as well as how legal

[8] Mohammad Yunies Edward and others, *Crowdfunding Di Indonesia* (Jepara: UNISNU Press, 2021).

[9] Ananthia Ayu, Titis Anindyajati, and Abdul Ghoffar, 'Perlindungan Hak Privasi Atas Data Diri Di Era Ekonomi Digital', *Pusat Penelitian Dan Pengkajian Perkara, Dan Pengelolaan Perpustakaan Kepaniteraan Dan Sekretariat Jenderal Mahkamah Konstitusi*, 2019, 101.

[10] Muh. Arafah, 'Peluang Dan Tantangan Pembiayaan Online Syariah Dalam Menghadapi Pinjaman Online Ilegal', *Iqtishaduna: Jurnal Ilmiah Ekonomi Kita*, 11.1 (2022), 65–77 <https://doi.org/10.46367/iqtishaduna.v11i1.540>.

certainty regulated by the OJK helps protect investors from these risks from a sharia perspective. With a deeper understanding of this matter, it is hoped that investors can make wiser investment decisions and stick to the highly upheld sharia principles.

In the context of increasingly popular Islamic finance, it is important for investors and business actors in this industry to understand the implications of binding laws and regulations. By ensuring compliance with applicable regulations, we can create an investment ecosystem with integrity and encourage inclusive economic growth within the sharia framework. The legal protection for investors investing in Islamic funding through Fintech Securities Crowdfunding in Indonesia is still related to the rules and regulations set by the Financial Services Authority (OJK) as the supervisory body for the financial sector in Indonesia.

In Indonesia, peer-to-peer (P2P) fintech platforms that offer crowdfunding funding or financing services must be registered and regulated by the OJK. At that time, crowdfunding platforms that offered sharia products had to comply with the same regulations as conventional P2P platforms, but taking into account sharia principles in their operations. Legal certainty of protection for investors investing in sharia funding through Fintech Securities Crowdfunding in Indonesia is based on several relevant laws and regulations.[11] The following are important points regarding the legal certainty of protection for investors:

1) Law Number 8 of 1995 concerning Capital Markets (Capital Market Law)
   This law is the main legal basis that regulates the capital market in Indonesia. The articles in this law provide a broad framework for protecting the interests of investors and ensuring the integrity of the capital market, including provisions regarding public offerings of securities, information obligations, and investor protection.
2) Regulations of the Financial Services Authority (OJK)
   a) POJK Number 77/POJK.01/2016 concerning Conducting Securities Company Business Activities: This regulation regulates the requirements and procedures for securities companies, including crowdfunding platforms, to obtain permits and licenses from OJK before they can operate. OJK will check the company's qualifications and feasibility to protect investors from untrusted entities.
   b) POJK Number 9/POJK.03/2016 concerning Sharia Financing Companies: This regulation regulates sharia finance companies, which may be involved in sharia funding through fintech crowdfunding. These companies must comply with sharia principles and protect the interests of investors in their financial transactions
   c) POJK Number 1/POJK.05/2019 concerning Consumer Protection in the Financial Services Sector: This regulation provides an outline of consumer protection in the financial services sector, including fintech crowdfunding. This includes the obligation to provide clear, transparent and accurate information to investors, as well as handling disputes and investor complaints in a fair and timely manner.
   d) Regulation No. 13/POJK.02/2018 on Technology-Based Fundraising Services (Fintech Lending): This regulation covers the requirements, obligations, and responsibilities of fintech lending platforms, including those focusing on Shariah funding.

[11] Ryan Randy Suryono, Indra Budi, and Betty Purwandari, 'Detection of Fintech P2P Lending Issues in Indonesia', *Heliyon*, 7.4 (2021), e06782 <https://doi.org/10.1016/j.heliyon.2021.e06782>.

e) OJK Regulation No. 37/POJK.04/2018 on Peer-to-Peer Lending: This regulation governs peer-to-peer lending platforms, which include crowdfunding platforms that offer Shariah funding services. The regulation encompasses licensing requirements, transparency obligations, risk management, and protection for investors.
f) OJK Regulation No. 12/POJK.03/2017 on Digital Financial Innovations in the Financial Services Sector: This regulation provides a framework for digital financial innovations, including crowdfunding platforms that offer Shariah investment services.

3) Sharia Principles
In the context of Shariah funding, legal certainty and investor protection depend on compliance with relevant Shariah principles. Crowdfunding platforms offering Shariah funding must ensure that their products and services adhere to Islamic Shariah teachings. This includes avoiding riba (interest), gambling, gharar (excessive uncertainty), and maysir (excessive speculation).[12]

4) Transparency and Accountability
Legitimate crowdfunding platforms must operate with high transparency and responsibility towards their investors. They should provide clear and easily understandable information about investment products, associated risks, and expected returns. Additionally, platforms must safeguard the security of investor data and maintain good governance practices to avoid conflicts of interest.[13]

Through these regulations, investors who invest in Shariah financing via fintech securities crowdfunding in Indonesia receive various forms of protection:[14]

a) Information Transparency: Crowdfunding platforms are required to provide clear and accurate information about investment products, including associated risks, return rates, and investment terms.
b) Consumer Protection: Rules govern the rights of investors and dispute resolution mechanisms in case of issues or dissatisfaction with the services provided by the platform.
c) Shariah Compliance: For Shariah funding products, crowdfunding platforms must ensure compliance with Shariah principles and be overseen by an independent Shariah Supervisory Board (DPS).
d) Risk Management: Crowdfunding platforms should have adequate risk management policies to protect the interests of investors.
e) Data Security: Platforms must maintain the security of investor data and ensure that sensitive information is not misused.

With the presence of this legal framework and regulations, investors who participate in Shariah funding through Fintech Securities Crowdfunding in Indonesia are expected to have legal certainty and adequate protection. However, it is important for investors to

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[12] Wisnu Panggah Setiyono, Sriyono, and Detak Prapanca, *Buku Ajar Financial Technology*, *Umsida Press*, 2022 <https://press.umsida.ac.id/index.php/umsidapress/article/view/1278>.

[13] Astrid Athina Indradewi and others, 'Tinjauan Kewajiban Dan Perlindungan Hukum Oleh Penyelenggara Platform Equity Crowdfunding Dalam Aplikasi LandX', *Ajudikasi : Jurnal Ilmu Hukum*, 6.1 (2022), 105–24 <https://doi.org/10.30656/ajudikasi.v6i1.4680>.

[14] Fithriatus Shalihah and others, *Equity Crowdfunding Di Indonesia*, *Crowdfunding for Entrepreneurs*, 2022 <https://dspace.uii.ac.id/bitstream/handle/123456789/29332/13931029 Muh Awal Satrio Nugroho.pdf?sequence=1&isAllowed=y>.

conduct due diligence on the crowdfunding platform they intend to use and understand the investment risks involved before making transactions. Furthermore, legal protection for investors participating in Shariah funding through Fintech Securities Crowdfunding in Indonesia includes several aspects that need to be considered regarding legal certainty and investor protection.:[15]

1) Regulatory Authority: Ensure that the fintech crowdfunding platform is registered and supervised by the relevant authority in Indonesia. Currently, the Financial Services Authority (OJK) is responsible for overseeing and regulating the capital market, including fintech crowdfunding in Indonesia. OJK has regulations and requirements to protect the interests of investors.
2) Platform Legality: Make sure the fintech crowdfunding platform has official permission from the OJK to operate as a fintech service provider. Check the platform's legality through the official OJK website or other trusted sources.
3) Transparency and Information: Ensure that the platform provides clear and transparent information about the projects offered to investors, including the associated investment risks. Comprehensive and accurate information will help investors make informed investment decisions.
4) Understanding Shariah Products: If interested in investing in Shariah funding, ensure a good understanding of the Shariah principles applied to the investment products. Shariah-compliant fintech crowdfunding should adhere to Shariah principles, such as the prohibition of interest and businesses prohibited by Islamic law.
5) Investment Risks: Investments on fintech crowdfunding platforms come with risks, and investors should be aware that there is no guarantee of a return on investment. Before investing, conduct thorough research and analysis of the projects or businesses to be funded.
6) Regulations and Compliance: The Indonesian government has institutions like the Financial Services Authority (OJK) that regulate and oversee the financial services sector, including fintech and investments. OJK has regulations that govern the operation of fintech, including crowdfunding. These regulations aim to ensure that crowdfunding platforms operate with fairness, transparency, and investor safety.
7) Fund Separation: Investor protection can also involve separating investment funds from the fintech company's assets. This is to prevent the use of investment funds by the company for its own operational purposes. This separation is usually regulated by OJK.
8) Investment Agreements: Every investor who invests through fintech crowdfunding will enter into an investment agreement. This agreement should outline the rights and obligations of investors, fund return mechanisms, and other requirements. Having this agreement gives investors a strong legal basis to protect their rights.
9) Complaints and Dispute Resolution: Legitimate crowdfunding platforms should have effective mechanisms for handling complaints and disputes. If investors encounter issues or dissatisfaction, they can file complaints through this mechanism. This can help investors in safeguarding their rights.

[15] Suriyadi Mamma, 'Perlindungan Hukum Pengguna Layanan Urunan Dana Melalui Penawaran Saham Berbasis Teknologi Informasi', *Jurnal Panorama Hukum*, 5.2 (2020), 159–68 <https://doi.org/10.21067/jph.v5i2.4693>.

Financial Education: In addition to legal protection, financial education is also important for investors. A good understanding of investment types, risks, and potential returns will help investors make more informed and wise decisions.

3.2 The Risks Faced by Investors in Shariah Financing Through Fintech Securities Crowdfunding and the Legal Certainty Established to Protect Investors from Risks from a Shariah Perspective

Shariah funding through Fintech Securities Crowdfunding in Indonesia is an attractive investment option for investors who want to invest in accordance with Shariah principles. However, this investment also entails various risks that need to be well understood before deciding to participate.[16] These risks include business risk, liquidity risk, legal and regulatory risk, Shariah risk, platform failure risk, capital loss risk, information disclosure risk, and issuer bankruptcy risk. Therefore, legal certainty is of utmost importance in providing protection to investors from these risks. Regulations issued by the Financial Services Authority (OJK) ensure that crowdfunding platforms and Shariah financing companies must provide clear and transparent information to investors about the risks associated with the offered investments.

Furthermore, OJK also ensures that crowdfunding platforms and securities issuers operate in accordance with the Shariah principles established by the Shariah Supervisory Board (DPS) or relevant Shariah regulatory authorities. This is a crucial step to ensure that investments are made ethically and in line with Islamic teachings. Consumer protection is also a focus in OJK regulations, which govern the rights and responsibilities of investors and provide dispute resolution mechanisms in case of issues or dissatisfaction with the services provided by the platform.[17]

In facing these risks, investors are expected to conduct thorough research and analysis before making investments. Understanding the risks associated with Shariah investment through Fintech Securities Crowdfunding will help investors make wise investment decisions that align with firmly held Shariah values. From a Shariah perspective, investments should be made with ethical and moral considerations, avoiding prohibitions such as riba, gharar, and maysir. With legal certainty and compliance with Shariah principles, investors are expected to invest with confidence, believing that their investments are in accordance with the cherished Shariah values.

In this discussion, we delve deeper into the risks faced by investors in Shariah funding through Fintech Securities Crowdfunding in Indonesia, and how the legal certainty regulated by the Financial Services Authority (OJK) helps protect investors from these risks from a Shariah perspective. With a deeper understanding of these matters, it is hoped that investors can make more informed investment decisions while adhering to the high principles of Shariah. Investors who participate in Shariah funding through Fintech Securities Crowdfunding in Indonesia face several risks that need to be well understood before deciding to invest. These risks from a Shariah perspective may include:

1) Business Risk:
   Investing in Shariah funding through fintech crowdfunding carries business risks such as project or business failures. These risks are related to the business performance and

[16] Suci Ramdania and others, *Modul Securities Crowdfunding (SCF) Syariah Untuk Penerbit/UMKM*, 2022.

[17] Iswi Hariyani, 'Perlindungan Hukum Dan Penyelesaian Sengketa Bisnis Jasa PM-Tekfin', *Jurnal Legislasi Indonesia*, 14.3 (2017), 345–58 <https://e-jurnal.peraturan.go.id/index.php/jli/article/view/136/pdf>.

the success of projects conducted by the fund recipient (entrepreneur or financing company).
Shariah Protection:
The platform should provide accurate and complete information about the projects or businesses to be funded. Investors have the right to assess the risks and opportunities of projects or businesses based on the provided information.

2) Liquidity Risk:
Investments in Shariah funding typically have fixed terms, so investors may face liquidity risks or difficulties in selling their investments before maturity, especially if there is no active secondary market.
Shariah Protection:
Legal certainty is established through the platform's obligation to provide clear information about the investment term and the potential for low liquidity. Investors should understand that investments in Shariah funding projects may be long-term in nature.
3) Legal and Regulatory Risk:
There is a risk of regulatory changes or non-compliance with existing regulations, which can impact investor investments.
Shariah Protection:
Crowdfunding platforms should keep investors informed about legal and regulatory changes that may affect their investments. Investors have the right to know the impact of these legal changes on the funded projects or businesses.
4) Shariah Risk:
This risk is related to ensuring that investments and fund management comply with Shariah principles. Investors should ensure that the crowdfunding platform and fund recipients are committed to adhering to established Shariah principles.
Legal Certainty:
The OJK and the Shariah Supervisory Board (DPS) ensure that crowdfunding platforms offering Shariah investments comply with established Shariah principles. The DPS plays a role in assessing investment products and processes to ensure compliance with Shariah principles.
5) Platform Failure Risk:
Investors face risks if the crowdfunding platform experiences failure or financial issues. This can affect the execution of investments and the possibility of fund recovery.
Legal Certainty:
The OJK has regulations that govern operational requirements and minimum capital for crowdfunding platforms. This is intended to minimize the risk of failure and ensure that platforms operate on sound and sustainable principles.
6) Capital Loss Risk:
Investors are at risk of losing some or all of the capital invested in Shariah funding projects. The success of funded projects or businesses is not always guaranteed, and investors may face the risk of project or business failure.
Shariah Protection:
Legal certainty is established through OJK regulations that require crowdfunding platforms to provide clear and accurate information to investors about the risks associated with the offered investments. Investors should have a clear understanding of the potential risks before making investment decisions.

7) Information Disclosure Risk:
   This risk is related to the accuracy and completeness of information provided by the crowdfunding platform to investors. If the information conveyed is inaccurate or incomplete, investors may make incorrect investment decisions.
   Legal Certainty:
   Legal certainty is established through OJK regulations that require crowdfunding platforms to provide transparent, accurate, and complete information to investors. Violations of these rules can result in sanctions imposed by the OJK.
8) Issuer or Issuer Bankruptcy Risk
   Issuers or issuers of securities offered in crowdfunding can experience financial problems or bankruptcy, which has the potential to harm investors.
   Sharia Protection:
   Legal certainty is regulated through transparency requirements and information disclosure regarding the financial condition of the securities issuer. Investors have the right to know the latest information regarding the issuer's financial condition and performance.

Legal certainty is regulated to protect investors from these risks in a sharia perspective in various ways:

1) Transparency and Information: Regulations require crowdfunding platforms to provide clear and accurate information about investment products, including the associated risks. Investors have the right to understand these risks before they invest.
2) Proper Implementation of Sharia Business: Recipients of funds or sharia finance companies must operate in accordance with sharia principles that have been established by the Sharia Supervisory Board (DPS) or the relevant sharia authority institution.
3) Legitimate Sharia Contracts: Investments in Islamic finance are based on valid Islamic contracts and comply with Islamic principles. Legal certainty is needed to ensure that the contract is valid and binding.
4) Consumer Protection: Consumer protection regulations regulate the rights and obligations of investors as well as a dispute settlement mechanism, so that investors have a legal mechanism to protect their interests if there is a problem.
5) OJK Oversight and Regulation: The Financial Services Authority (OJK) is responsible for overseeing and regulating crowdfunding platforms and Islamic finance companies, ensuring they comply with applicable regulations and standards.

In a sharia perspective, it is important to ensure that investments are made ethically and in accordance with Islamic teachings. Legal certainty and compliance with sharia principles are expected to provide protection for investors and minimize risks associated with sharia investments through Fintech Securities Crowdfunding in Indonesia. Investors are expected to invest in projects or businesses that comply with sharia principles, including the prohibition of usury (interest), gharar (excessive uncertainty), and maysir (speculation or gambling). Legal certainty in this context is about keeping crowdfunding platforms and securities issuers complying with sharia principles, providing honest and accurate information to investors, as well as providing transparent monitoring and reporting mechanisms. Thus, investors can make investment decisions that are wise and in accordance with upheld sharia values.

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4. CONCLUSION

The legal certainty of protection for investors who invest in Sharia-compliant financing through fintech securities crowdfunding in Indonesia is based on the prevailing legal regulations. This includes rules governing the operations of fintech, Sharia provisions, and consumer protection regulations. Investors are protected by legal provisions that govern transparency, information disclosure, risk, and dispute resolution. In addition, the fintech companies must also meet licensing and permitting requirements issued by the relevant authorities, such as the Financial Services Authority (OJK). Therefore, investors participating in Sharia-compliant financing through fintech securities crowdfunding in Indonesia can have better legal certainty in accordance with the established regulatory framework. Shariah funding investors using Fintech Securities Crowdfunding face various risks, including liquidity risk, fluctuating investment value, and the risk of project failure that they finance. To protect investors, legal certainty in Shariah financing is established through a regulatory framework that ensures transparency, Shariah compliance, and investor rights protection. Supervision and regulation by competent authorities help ensure that practices aligned with Shariah principles are followed, and investors receive adequate legal protection. Additionally, Shariah-compliant financial instruments, such as sukuk, are also utilized to mitigate risks from a Shariah perspective in this crowdfunding investment.

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