

Contemporary Shariah and Legal Pertinent Issues in Cash Waqf Mechanism Using Peer To Peer (P2P) Platform In Indonesia

Akhmad Affandi Mahfudz
Postgraduate Studies
Department of Islamic Economics Law
University of Darussalam Gontor Ponorogo Indonesia
Email: affandi@unida.gontor.ac.id

Abstract

The remarkable growth of financial technology wreaks significant impact to the liquidity of Islamic financial industry. Cash waqf now is perceived as the right instrument to ameliorate the issue of liquidity amid modest effort of financial industry in Indonesia. Cash waqf using P2P (Peer to Peer) platform model now is becoming the untapped potential of business beside social responsibility. However, there are some issues as cash waqf integrated with P2P platform that might lead to another phenomenon of shariah compliance in financial technology. In view of this backdrop, this paper aims to unveil the issue of shariah compliance in contract that used to disburse cash waqf funds using P2P platform model. Second, this paper also deciphers some legal issues that might occur that contrary to the existing law. The paper finds that since the existing regulation including Fatwa considered as general, there is possibility that the practice of P2P shariah deviate from Shariah tenet and wreak some legal issues. In the event of default payment, late charges and early settlement not clearly regulated and no standard. This paper also finds that no such governance standard, risk management, shariah compliance and code of ethics oThe contract inherent in this platform model shall be in line with the tenet of Shariah principles and not only comply with existing regulation. This paper implies that more cash waqf will be generated through this platform model as it is easier and more practical. In addition, financial industry will adhere strictly to shariah compliance aspect as their concern.

Keywords: Cash waqf, P2P platform, Shariah, Legal, Financial Institution

Introduction

At initial stage around 1980-1990s, Waqf practice in Indonesia has been confined its understanding to donate idle property like unproductive lands for cemetery and mosques for public use. The management of Waqf also possesses some constraints to uplift the quality of Waqf disbursement as well as collection. This is due to regulations, literacy, perception and procedures. During this time, the use of cash waqf was very scarce as no fatwa (verdict) was released by Indonesian Religious Council and poor public literacy. Now, the donation of Waqf has become widely understood not only using idle property but also cash waqf (endowment fund).

Cash waqf become popular among Indonesian as it functions not only for social benefit but also for financial aspect. It has been perceived that cash waqf able to perform more economically feasible as it is used also as part of financial instrument. The development of waqf endeavour at this stage recorded an outstanding practice as it involves corporate entities to create framework of waqf practice in Indonesia.

In the meantime, the existing system in financial industry has embarked into new dimension of obtaining financial benefit as well as social benefit. Many financial institutions indulged in Islamic social funds activity as they believe to have no barriers to entry since the emergence of financial technology has become a phenomenon that wreaks more efficient and profit instead of concentrating on their banking business model. However, there might be some barriers in the form of SOP (Standard of operating Procedures), regulation and shariah issues that hinders the banks to include Islamic social funds the non-compliant group (destitute) due to the inability to meet the banking and regulatory requirements. Hence, the transmission mechanism to ameliorate the existing structure of financial institution particularly to cater the un-bankable customers is imperative to be examined and evaluated on its feasibility.

On another note, many financial firms now have transformed and shifted their business platform into achievement in Omni-experiences, advanced analytics and digital-only outfits. From traditional banking system to the financial technology that would enable more players to emerge in financial services. The world has witnessed how technology and changing consumer behaviors have enabled financial services to be more open and accessible with financial services disclosure that wreak more financial return. The existence of fintech has proven how

un-bankable individuals now become bankable. Fintech has enabled the sub-rural society to be connected to financial services.

The development of fintech industry recorded a remarkable growth in Indonesia. According to OJK (Financial Services Authority), in September 2022 there were 02 registered companies and increased significantly compared to previous years. However, only 5% who are focusing on P2P platform as their business and only 7 registered shariah P2P operators. This indicates that with largest muslim population in the world, there are many untapped business potentials using of P2P platform that in line with Shariah tenet. In addition, the use of mobile technology has been widely practiced and become easier to penetrate the market for the industry.

On another note, the development and innovation of digital finance is faster because it is more extensive in exploration of sharia contracts. P2P lending sharia is still not much because the regulations are quite strict.

Description	As of September 2022 (in Rupiah)
Total Asset of Fintech	5,114, 200,000,000
Licensed Conventional Fintech	4,991,230,313,363
Licensed Shariah Fintech	112, 960,000,000

Volume 18, Number 1, June	As of September 2022
Operator of Fintech	352
Licensed Conventional Fintech	95
Licensed Shariah Fintech	7

Source: OJK 2022

With the advancement in technology, there has been a dramatic change in the lifestyle and perception of people, from sharing their mood on Facebook or becoming an overnight celebrity by trolling on Instagram or twitter to crowd funding from across globe for a social cause, to starting a business idea online. Technology has opened a virtual world which is now gaining traction for doing business surpassing geographical limitations. With the emergence of new and improved technologies, lives have become much easier to a certain extent compared to what it was just a decade back.

The existence of P2P industries have embarked the shift of financial institution to cater the unbanked individuals to financial

services including for charity purposes. People now able to uplift their status of credit worthiness as the process is very fast, simple, transparent, accountable and reliable to facilitate their financial needs and even for charity objectives.

The presence of the Shariah peer to peer lending industry provides a new alternative to financing. Easier and wider access, encourages the inclusiveness of financing to the regions. Also provides benefits for lenders. The range of investment margins ranging from the equivalent of 10-30% makes investment in this industry very attractive thus creating a symbiosis that is mutually beneficial.

The following are some of the Shariah P2P business operators in Indonesia using Islamic finance principles:

Features/ Operator of P2P Shariah	ALAMI	Dana Syariah	Ammana	Qazwa	Danakoo	Ethis
<i>Minimum Deposit</i>	IDR 1 million	IDR 1 million	IDR 50,000	IDR 1 million	IDR 1 million	IDR 1 million
<i>Financing to Funder</i>	12-16%	15-20%	15-30%	12-30%	12-18%	10-12%
<i>Product of Financing</i>	Factoring	Real Estate Financing	Micro Financing	Micro Financing	Personal and Micro Financing	Real Estate Financing
<i>Contract</i>	Wakalah bil ujroh	Murabahah & Mudharabah	Murabahah, mudharabah & musyarakah	Murabahah & muhdarabah	Murabahah & Wakalah bil ujroh	Wakalah bil ujroh & istisna'
<i>Duration (tenure)</i>	1-6 months	2-12 months	1-12 months	1-6 months	3-12 months	0-12 months

Source: Author's search from multiple sources

Based on data released by the Financial Services Authority (OJK) the assets of shariah lending P2P operators grew rapidly compared to conventional providers. But in nominal terms, shariah lending P2P assets are still small compared to conventional. The P2P lending industry's asset growth accounted at 71.8% ytd compared to December 2018 with a value of Rp 1.54 trillion. The conventional P2P lending assets until September 2019 were valued at Rp 2.58 trillion. This value grew 67.01% ytd compared to December 2018 valued at Rp 1.54 trillion. As for P2P lending assets of shariah in September 2019, it was valued at Rp 66.98 billion. This value grew by Rp 2.778 year to date (ytd) compared to December 2019 of Rp 2.32 billion. Sharia P2P lending assets are only 2.52% of the total P2P lending industry assets in the first nine months of 2019 recorded at Rp 2.65 trillion.

Meanwhile, many scholars have addressed the issue of cash waqf in the context of Islamic economics and social development. Based on the studies conducted by (Alias, 2011; Mohammed, 2012; Lahsasna, 2010; Cizacka, 2000; Mahamood, 2000; Khaf, 1998; Mannan, 1998), outlined the importance of cash waqf as another part of giving behavior among society.

(Baihaqi, 2018) found that basically Fintech Peer-to-peer Lending under Islamic law can be executed on condition that it follows Sharia principles. The Sharia principle are free from prohibited transactions, undertake Sharia contracts, transparent and carried out with a good attitude. Fintech peer-to-peer lending based on Sharia principles according to the DSN-MUI Fatwa can be done with a model: 1) factoring financing, 2) financing procurement of goods for third party orders, 3) financing procurement of goods for businesses selling online, 4) financing procurement for businesses selling online with payments through payment gateways, 5) financing for employees, 6) community-based financing

According to (Alwi, 2018) societies develop innovation of service in the activities of financing that one of them is characterized by the existence of the provision of Services and loan borrowing money based information technology assessed against development and contribute to the national economy. One of them, financing system with agreement that the parties who proposed financing by parties who provide funding online. Financing through service loan borrowing money based on information technology (fintech, the reason of Sharia-based fintech services were launched is to accommodate users who want Sharia-based loan transactions. Sharia-based fintech services in addition to providing supplies and various existing (conventional) service schemes, also provide certain restrictions on the use of funds provided by investors or lenders. Demand for sharia-based fintech user services increases currency with the market share of service users from the majority of Muslims in Indonesia pushing the Sharia-based Fintech compulsory services meet the rules in sharia business transactions.

Meanwhile (Wijayanti & Riza, 2017) stated that the existence of fintech sharia changed their perception and behavior to continue to use products in various transactions and businesses. This research contributes both practically and theoretically. For the government, this research can be a reference for making regulations related to sharia fintech.

A study conducted by (Firmansyah & Anwar, 2019) illustrated the challenges and prospects of trending topics in Islamic finance, e.g., Islamic financial technology, or Islamic Fintech. In this study, the paper discusses several Fintech Islamic companies in Indonesia and Singapore regarding their profiles, prospects and challenges.

Waqf also possesses two dimension namely religious and social economic dimension. Religious dimension means fulfilling the obligation as vicegerent and good muslim while economic dimension constitutes mutual cooperation among humang beings. As waqf industry has grown tremendeously, it has been diversified into many form of waqf practices such as wakalah Waqf, cooperative Waqf, and even hybrid Waqf.

Although many waqf funds bodies registered in this country, the system and governance remain unresolved issues particularly when integrated with financial technology. There are many quiries to the legal status when cash waqf integrated with financial technology. In addition, shariah compliance issues become inseparable part of the problem that remain unresolved as has not released on the use of cash waqf that integrated with P2P platform model.

Regulation Number 42 of 2006 on the Implementation of Law No. 41 In 2004, the cash-waqf management is much more left to the Islamic Financial Institutions, which is appointed by the Minister of Religious Affairs. The institution has a very strategic role, especially in the development of cash-waqf in Indonesia. One of the strategic roles is related to the legal status of the institution as it is appointed directly by the Minister of Religious Affairs as the agency authorized to receive cash-waqf. Practically, the institution has a strategic role in managing and developing waqf properties as mentioned by waqif (donor of a waqf) to Nazhir (trustee of a waqf). Management and development of cash-waqf can only be done through investment in the institution's products or Islamic financial instruments.

According to (Mikail, 2013), cash waqf transfer has been implemented in several private waqf institutions in Indonesia. Lack of government support and participation considered as two main reasons of the low level of cash waqf collection.

Cash waqf is one of the alternative solutions amid the inability of government in providing prosperity for Indonesian society. According to (Affandi & Nufus, 2010), the collection of cash waqf fund still far from expectation. Meanwhile rehabilitation of poor family is the first

priority of cash waqf fund allocation.

Etymologically, it has no clear definition on financial technology. However, Bank Indonesia defines as follow:

“A phenomenon of fusion between technology and financial features that transform business models and a weak barrier to entry which lead to raises unregulated players to run the service as well as regulated financial institutions.”

In view of the above understanding, many financial authorities now have developed their own regulation specifically for off balance sheet (market place). To some extents, it seems that Fintech is a financial reform that cater un-bankable individuals to fulfill their financial needs.

Even though several fatwa councils and Shariah boards had resolved that cash waqf is permissible, this permissibility is still subject to vast debate among the jurists and scholars due to their dissenting views on whether cash can satisfy one of the most pertinent conditions of waqf, i.e., the subject matter of waqf shall be perpetually preserved. Thus, this paper aims at scrutinizing the basis of such permissibility and a few Shariah issues related to operational implementation of cash waqf. These issues include utilization of cash waqf for giving loans or micro financing, issue of permissibility of investing the endowed cash, the treatment on the profit generated from it, and using endowed cash to cover the management cost of the waqf.

Problem Statement

The issues are discussed by addressing the following problems of this study:

- a. Whether there is any legal issues in implementing cash waqf using P2P platform model
- b. What is the right and proper contract among the parties involved?
- c. Any shariah solution in the event of breach of contract between platform provider and Nazhir of waqf?

In order to answer the above problems, this study employs a qualitative approach through library research. The study involves a profound literature reviews on cash Waqf studies particularly related to legal and Shariah point of view in Indonesia.

Therefore, this paper aims to highlight and examine pertinent issues that wreak new legal and shariah problem in financial industry whenever cash waqf integrated with financial technology.

P2P Platform Business Model Based on Existing Regulation and Legal Analysis

1. Lending services using financial technology according to Regulation of POJK Number 77/POJK.01/2016.

This Regulation basically portrays terms and condition of doing business using fintech as a platform. Provisions in this Regulation state that the establishment of a business entity should not only be established by Indonesian citizens but can also be established by collaborating with foreign nationals. Even though it can be established with citizens foreign investors, the maximum number of share ownership is 85%.

Besides discussing the terms of incorporation company engaged in the field of fintech also provide rules regarding limit on the extended amount of loans. Loan restrictions given by other Financial Services Institutions that using information technology is limited to IDR. 2,000,000,000.00. This restriction is stated in article 6 POJK Number 77 / POJK.01 / 2016.

This regulation considered as general regulation that does not confine specifically the practice of P2P in line with shariah principle. Therefore, the implementation of this regulation might wreak some misleading practices among the operator of P2P. In addition, although there is fatwa on this but again remain some shortcomings as no specific guidance or standard that can be used as a benchmark.

2. Implementation of Financial Technology According to Bank Indonesia Regulation Number 19/12/PBI/2017

In accordance with Article 1 of Bank Indonesia Regulation Number 19/12 / PBI / 2017 contains the Implementation of Financial Technology state that Financial Technology is defined as the use of technology in the financial system that produce services, products, technology, or models of new business that can have an impact on financial system, monetary stability and efficiency through security, smoothness and reliability system.

Implementation of financial technology encompasses into several categories namely loans, financing and capital supply, investment management and risk management, payment systems, and supporting markets and other financial services contained in this Article.

The scope of the arrangements regarding administration of

financial technology includes registration, licensing and approval, regulatory sandbox, monitoring as well supervision. The term of regulatory sandbox is a space safe limited trials to test operator of Financial technology, its services, products as well business model. This scope is one of the ways offered by Bank Indonesia to provide legal protection for consumers.

Similar to POJK Number 77 / POJK.01 / 2016 which states that the operator of financial technology is a business entity. In accordance with the Article 6 PBI Number 19/12 / PBI/2017 states that the Agency Businesses that propose financial technology implementation must be a business entity that incorporated in Indonesia. Bank Indonesia is an authorized agency in the implementation of financial technology so that in submission of application should be processed through Bank Indonesia.

However, many P2P operators were found practicing not based on the above Regulation. There were more than one thousands operators of fintech found as illegal practice in Indonesia.

3. Fatwa DSN MUI (Indonesian Ulama Council) Number 117/DSNMUI/II/2018 on Financial Technology According to Syariah principles.

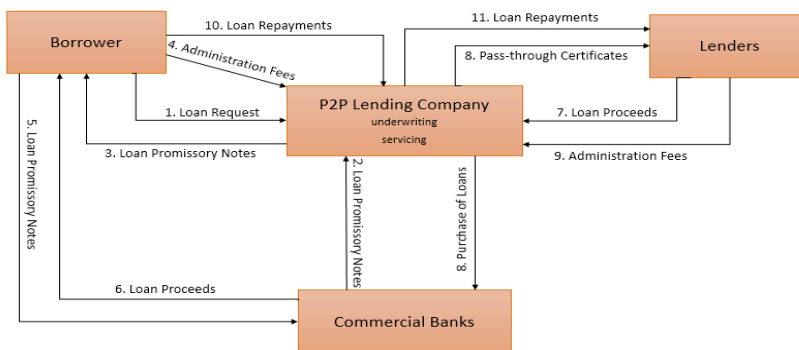
National Sharia Council of the Indonesian Ulama Council issued a fatwa regarding financing services based information technology in accordance with sharia principles. It is stated in the MUI DSN Fatwa Number 117/DSNMUI/II/2018 that technology-based financing services information based on sharia principles is the operation of financial services based on Islamic principles that connect between creditors with financing recipients to do financing agreement through an electronic system with assistance of Internet network.

Definition of service based financing of information technology with sharia principles means that in making financing must be adjusted to Islamic principles so as to avoid usury or the handling of losses that are not in accordance with sharia. Legal subjects conducting service activities of information technology based financing, among others the operator, the recipient of the financing and the lender. A contract used in a service of transaction based using information technology that in line with Shariah principles, among others are *ijarah*, *bai'*, *musyarakah*, *mudharabah*, *qardh* and *wakalah bil ujah*. Since all are using the electronic system, electronic signatures are required electronic certificates that are guaranteed for good authentication or its validity. Charging fees

using the system of *ujrah* (fee) is permissible as long as it is adjusted to the *ijarah* principle. Fees of financial technology operations are obtained from the *ujrah* charged to consumers for using service from technology-based financing service providers information based on sharia principles.

Nevertheless, the above Fatwa does not specifically confine some shariah issues on the use of P2P platform. The issue of contracting parties, the use of funds that not in line with *waqif* mandate and the issue of default payment, late charges as well as early settlement are found not inherent in this Fatwa. In addition, this Fatwa not enacted by OJK and therefore remain as Fatwa that is not mandatory to be executed by operator of P2P Shariah.

In order to depict clear potential of legal and shariah issues, consider the following diagram on how P2P platform works;



The above Picture shows the relationship of contracting parties in conventional P2P practices. It is very obvious on shariah issues as the element of *riba* can be seen from the flow of the process. Since the contract basically adopt loan contract with some charges, it is clearly defined as *ribawi* transaction. However, this practice seems to be applied in *Murabahah* and other contract using specific terminology. In addition, the above Picture clearly describe how legal dispute might arise from this kind of transaction. It is found that clear contract among the contracting parties should be strictly confined and regulated to avoid the dispute. The above Picture also does not elaborate how to mitigate the risk.

The implementation of cash *waqf* using P2P platform model has to be free from any element of legal issues. As P2P platform is

new application in cash waqf, the legal issues might deviate from OJK regulation pertaining to equity crowdfunding regulation. In addition, OJK regulation on equity crowd funding does not address shariah element and therefore there is potential of legal issues. The above diagram initially free from any element of legal dispute. However whenever it integrates with Shariah aspect, the issue of legal dispute becomes unresolved as whether to be settled using positive law or shariah law. Furthermore, legal issues not only arising from the transaction among the parties but also shariah resolution should be preceded as it is considered as Shariah contract. In this regard, any cash waqf legal issues using P2P platform is future challenges not only by industry but also muslim scholars. In addition, based on constitutional court decision reveals that any Islamic bank's dispute has to be settled through Islamci religious court constitutes another legal settlement issues in Indonesia.

Shariah Issues

Cash waqf funds is believed to be the most appropriate solution amid inability of Islamic financial industries to cater sub-rural society for the sake of financial inclusion. The distribution of cash waqf can be utilized to empower the needy and destitute who live in sub rural area. However, as cash waqf integrated with P2P platform, shariah issues might occurs particularly on the contract used by the parties involved. There are at least four parties, Waqif of cash waqf, Nazhir (fund manager), provider of P2P platform and the recipients of cash waqf. As depicted by the above Diagram, clear contract should be applied properly. For instance, the contract among these parties might differ according to the role, terms and condition. In addition, in the event of breach of aqd among the parties also should be anticipated to avoid by providing clear agreement among the parties.

The main difference between conventional and shariah P2P is the existence of riba particularly in extending loan. In conventional practices, it is very easy and simple to detect the element of riba as the financier charge some amount on the money that extended to customer. So, the increment and additional amount from the credit is very obvious to be considered as riba. However, in Islamic perspective there must be an interaction between the parties involved and bound to have bilateral contract. The pertinent issues emerged as many type of contracts used that might wreak shariah issues. The following are

some contracts that currently applied in P2P platform businesses and their shariah analysis:

- a. *Murabahah*: Contract of sale and purchase by submitting the acquisition price and agreed margin. This contract is usually used for personal financing. For example someone who wants to buy goods but does not have cash, then P2P will buy it and resell it with a margin to that person with installment payments.

Murabahah contract in this regard does not prevail as it is. The contract of sale and purchase remain ambiguous as the main seller and buyer not clear, unless if it is *Murabahah* inventory where the P2P company has the stock of commodities and therefore can sell directly to the buyer. Second issue is the customer has the right to revoke the purchase and the P2P company might incur the loss as they have bought the commodity. In banking transaction, usually there is “*wa’d*” (promise) that is bilateral promise to both and can be prosecuted if the customer breaches the promise. The third issue is on late payment or default payment since the *Murabahah* transaction in this case can be executed in installment scheme. It is not clear as whether there is penalty or extra charges in the event of default or late payment. The last issue is on early settlement. Early settlement of payment has no clear treatment in P2P transaction. In Shariah principle any early settlement of debt should be rewarded or *iqta’*. The *iqta’* should be treated as reward but does not prevail in P2P transaction. The *iqta’* shall not be informed in the beginning of the contract. In addition, there is a question on the contract between operator of P2P and the investor.

- b. *Wakalah bil Ujroh*: A contract of delegation of power that enables the other party to do something authorized. Usually this contract is used for factoring financing (invoice financing). Company or individual who have a bill delegate the power to the operator of P2P to bill receivables. In the process of P2P usually they provides a bailout (*qardh*) and for billing services the company will provide wages (*ujrah*) to the operator.

In the light of shariah principle, if there is *qard* element in a transaction, it is not permissible to charge an extra fee instead of the capital. In this regard, the P2P transaction can be void if it is treated as a loan plus extra charges. The second issue is *tasharruf fudhuli* in *Wakalah* contract. It means the appointed agent who act

anything without the knowledge of the “*muwakkil*” or the giver of agency considered as void. In P2P transaction the practice of *tasharruf fudhuli* can occur as the operator of P2P can utilize the fund without the consent of investor. In addition, there must be clear contract between the operator of P2P and investor if *wakalah bil ujroh* applies in P2P transaction.

- c. *Istishna*: It is an order agreement on an item that must be made first. This contract is usually used to finance homes. For example the P2P operator will provide financing for the construction of a house to the producer. When the house is finished, the operator will get profit sharing according to the agreement.

This contract is not easy to be applied in Indonesia. There are some unresolved issues that should come with remedies. First, the issue of legal standing for operator of P2P as they do not build the house or they are not developer of house so the contract of *istishna* is not executed properly. Second, there is ambiguity of contract between the operator of P2P with investor and developer of the house. These three parties should be clear in terms of contract before executing the contract with customer of P2P. In the event of default or late payment, no clear treatment that can be applied with justice and fairness. In common practice, the P2P operator treat like *Murabahah* with annuity.

- d. *Mudharabah*: A joint venture contract consisting of two or more parties where one party is the owner of the funds and the other is the manager. This contract is usually used for microfinance. For example someone who needs capital to open a printing press but does not have capital. Then the P2P operator will collect capital for purchases such as copiers, ink, and so on. Then the benefits will be divided according to the agreed ratio.

If the operator of P2P act as *shohibul maal* (the owner of fund) then it will be riskier to have this contract if they incur loss. The practice of *Mudharabah* is difficult to be applied unless the parties involved possess great trustworthiness to run the business. In contrast, if the customer act as *shohibul maal* (the owner of fund) then it will be difficult to control the business. In view of the shariah perspective, there are terms and condition of this contract and the existence of P2P practice might deviate the real *Mudharabah* contract to be applied.

- e. *Musyarakah*: A joint venture agreement, similar to *Mudharabah* contract. The difference in this contract is that both parties provide capital in the financing project.

In terms of the P2P industry's willingness is better because the object of financing is clearer. The parties immediately transact in accordance with the selected financing object. In contrast to banks that do pooling of funds while customers do not know directly on the financing to which their funds are channeled.

However, the treatment is like having loan contract and no cooperation in the event of default or dispute between the parties. In addition, shariah issues emerged as in other contract like remedies for parties involved (the operator of P2P, investors and customers) in the event of default or late payment by customer.

Conclusion

The practice of P2P business platform for operators and customers in Indonesia recorded to be remarkable and robust. However, in the light of shariah perspectives some issues remain unresolved in executing the contracts. The implementation of P2P still viewed as a loan transaction regardless of the contracts. So, the treatment of the parties involved just like loan contract where as many type of contracts applied and none of these considered as loan contract. In addition, in line with shariah issues, legal issues also considered as pertinent and imperative to seek the remedies. However, since Indonesia is not Islamic state, legal issues remain as priority and preceded instead of shariah issues.

It can be concluded that the implementation of P2P business platform using existing Regulation and Fatwa of National Shariah Council. However, the regulation and Fatwa considered as general and no specific regulation or standard for Shariah P2P.

As no control mechanism on the use of fund by recipients, there is possibility of breach of contract on the used of funds. Hence, the use of funds can be executed not in line with the mandate of waqif. This situation might occur in some contract like *Mudharabah*, *Wakalah bil Ujroh*.

In addition, the existing Regulation including Fatwa do not provide rule on governance, standard and code of ethic of operator of Shariah P2P platform.

In the event of default payment, P2P transaction hitherto not guided with clear standard that comply with shariah tenet nor OJK or BI Regulation. The implementation of this matter executed based on respective SOP (standard of operational procedures) of P2P operators. Hence, there is possibility that their treatment deviate from the spirit of shariah. In addition, legal issues might deteriorate in the event of dispute in the court. The solution of dispute sometimes undertaken based on positive laws as the country does not guarantee shariah law as priority in decision process. Furthermore, the number of default payment in P2P transaction recorded to increase every year.

As for waqf practice, Indonesian Waqf Board is the only government body that oversee the implementation of waqf including cash waqf using P2P. However, no such standard set out by this government body to regulate the practice of cash waqf using P2P platform. Coordination and cooperation among government bodies in this regard is a vital role to be played by all stake holders like OJK, Ministry of Religious Affairs and Indonesian Waqf Board.

References

- Affandi, A., & Nufus, D. N. (2010). Analysis on cash waqf return fund allocation in Indonesia: a case study in Indonesian waqf deposit. *The Tawhidi Epistemology: Zakat and Waqf Economy*, 119–135.
- Alias, T.A (2011). Tax laws affecting *Waqf* in Malaysia: A Comparison with the United States and Turkey. Pulau Pinang, 6th UUM International Legal Conference.
- Alwi, A. B. (2018). Pembiayaan Berbasis Teknologi Informasi (Fintech) yang Berdasarkan Syariah. *Al-Qānūn*.
- Baihaqi, J. (2018). Financial Technology Peer-To-Peer Lending Berbasis Syariah di Indonesia. *Tawazun : Journal of Sharia Economic Law*.
- Cizakca, M. (2008). The British Legislation in Malaya and Its Impact Upon The Malaysian Waif System. Paper Presented at the Second Harvard Conference: “ Law of Waif, Modern State Control and Nationalization
- Firmansyah, E. A., & Anwar, M. (2019). ISLAMIC FINANCIAL TECHNOLOGY (FINTECH): ITS CHALLENGES AND PROSPECT. <https://doi.org/10.2991/assdg-18.2019.5>
- Kahf, M. (1999), Towards the Revival of Awqaf : A Few Fiqhi Issues to Reconsider, available at <http://monzer.kahf.com/papers/english/>

Fiqhi_Issues_for_Revival_of_Waqf.pdf (accessed 16 September 2013).

- Lahsasna, A. (2010). The Role Of Cash *Waqf* In Financing Micro And Medium Sized Enterprises (MMES) , 97–118.
- Mahamood, S.M. (2006). *Waqf* in Malaysia. Legal and Administrative Perspective. Kuala Lumpur. Jabatan Syariah dan Undang-undang, Akademik pengajian Islam. Universiti Malaya
- Mannan, M.A. (1986) *Islamic Economics: Theory and Practices*: London. Hodder and Stoughton
- Mikail, A. (2013). Perspective of Siyasa Shar’iah in Application of Cash *Waqf* Transfer for Islamic Financial Industry: Indonesian Study Case. *5th Islamic Economics System Conference (IECONS 2013)*, “Sustainable Development Through The Islamic Economics System,” (September), 25–40.
- Mohamed Naim, A., Yazid Isa, M., & Liki Hamid, M. (2013). The effects of new AAOIFI standards on Sukuk in choosing the most authentic Islamic principles. *Journal of Islamic Accounting and Business Research*, 4(1), 77–93. <https://doi.org/10.1108/17590811311314302>
- Wijayanti, D. M., & Riza, A. F. (2017). Sharia Fintech: Positive Innovation in Consumer Perspective. In *Proceeding International Seminar on Competition Policy and Law*.