

## CHAPTER I

### INTRODUCTION

#### A. Background of Study

Technological developments have encouraged significant innovation in the financial sector, especially in technology-based financial fields.<sup>1</sup> One of the innovations that is growing rapidly is the *Buy Now, Pay Later* (BNPL)<sup>2</sup> digital payment scheme or better known as *Paylater*. This service began to be known by a wide circle after the spread of Covid-19.<sup>3</sup> BNPL schemes allow consumers to buy goods or services directly,<sup>4</sup> then pay it in installments within a certain period of time.<sup>5</sup> Unlike conventional credit which requires a credit card<sup>7</sup>, BNPL schemes are more accessible<sup>8</sup> because they only require an e-commerce account and a fast digital verification process.<sup>9</sup> Based

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<sup>1</sup> Joseph Jr Aduba, Behrooz Asgari, and Hiroshi Izawa, "Does FinTech Penetration Drive Financial Development? Evidence from Panel Analysis of Emerging and Developing Economies," *Borsa Istanbul Review* 23, no. 5 (2023): 1078, <https://doi.org/10.1016/j.bir.2023.06.001>.

<sup>2</sup> Klemens Katterbauer et al., "Ai Driven Islamic Buy Now Pay Later (Bnpl) – a Legal Analysis," *Journal of Management and Islamic Finance* 3, no. 1 (2023): 1–19, <https://doi.org/10.22515/jmif.v3i1.6671>.

<sup>3</sup> Tao Chen et al., "What Influences Demand for Buy Now, Pay Later Credit?," *Economics Letters* 242, no. May (2024): 6, <https://doi.org/10.1016/j.econlet.2024.111857>.

<sup>4</sup> Yassinta Fitria et al., "Shopee Pay Later Sebagai Metode Pemb Ayaran Menurut Fiqh Muamalah.Pdf The Combined Total of All Matches, Including Overlapping Sources, for Each Database. Crossref Database Crossref Posted Content Database Excluded from Similarity Report Shopee Pay Later," *El;Mal*, 2023.p. 1056

<sup>5</sup> Benedict Guttman-Kenney, Chris Firth, and John Gathergood, "Buy Now, Pay Later (BNPL) ...on Your Credit Card," *Journal of Behavioral and Experimental Finance* 37 (2023): 2, <https://doi.org/10.1016/j.jbef.2023.100788>.

<sup>6</sup> Verni Juita et al., "Dataset on Online Impulsive Buying Behavior of Buy Now Pay Later Users and Non-Buy Now Pay Later Users in Indonesia Using the Stimulus-Organism-Response Model," *Data in Brief* 54 (2024), <https://doi.org/10.1016/j.dib.2024.110500>.

<sup>7</sup> Iin Emy Prastiwi and Tira Nur Fitria, "Konsep Paylater Online Shopping Dalam Pandangan Ekonomi Islam," *JIEI: Jurnal Ilmiah Ekonomi Islam* 7 (2021): 426, <https://doi.org/10.29040/jiei.v7i1.1458>.

<sup>8</sup> Juita et al., "Dataset on Online Impulsive Buying Behavior of Buy Now Pay Later Users and Non-Buy Now Pay Later Users in Indonesia Using the Stimulus-Organism-Response Model," 3.

<sup>9</sup> Hanik Fitriani, "Dampak S-Pay Later Terhadap Konsumen Muslim: Perspektif Keuangan Islami," *Niqosiya: Journal of Economics and Business Research* 4, no. 01 (2024): 206, <https://doi.org/10.21154/niqosiya.v4i01.3758>.

on the Katadata Insight Center (2024) report, around 70.5% of e-commerce users in Indonesia have used BNPL services.<sup>10</sup> This percentage reflects how widespread the adoption of this system is in the daily lives of urban people,<sup>11</sup> It has even become one of the most demanded payment methods in online transactions.<sup>12</sup>

**Figure 1. 1 Various BNPL Services**



**Source: survei-populix (2023)**

Among the various BNPL services that are growing in Indonesia, Shopee PayLater occupies the top position in terms of the number of users. Populix survey shows that Shopee PayLater is the most used service with a percentage of 77%.<sup>13</sup> Followed by

<sup>10</sup> Ahmad Nasrullah, "Laporan Perilaku Pengguna PayLater Indonesia 2024," *Katadata Insight Center*, 2024.

<sup>11</sup> Giulio Cornelli, Leonardo Gambacorta, and Livia Pancotto, "Buy Now, Pay Later: A Cross-Country Analysis," *BIS Quarterly Review*, 2023, 72.

<sup>12</sup> Katterbauer et al., "Ai Driven Islamic Buy Now Pay Later (Bnpl) – a Legal Analysis," 18.

<sup>13</sup> Annisa Sulistyo Rini, "Survei Populix: Shopee Paylater Terpopuler, Gopay Dan Akulaku Nomor Berapa?," 31 Oktober, 2023, <https://finansial.bisnis.com/read/20231031/563/1709831/survei-populix-shopee-paylater-terpopuler-gopay-dan-akulaku-nomor-berapa%0A%0A>.

GoPayLater (28%), Akulaku PayLater (18%), and Kredivo (14%). Meanwhile, other platforms such as Traveloka PayLater (9%), Indodana (4%), Home Credit (3%), and Atome (2%) showed lower usage rates. The dominance of Shopee PayLater shows that people are increasingly accustomed to using *Buy Now, Pay Later* (BNPL) services in daily digital transactions. Ease of access, fast registration process,<sup>14</sup> and flexibility in choosing payment tenors makes BNPL a solution that is considered practical in meeting consumptive needs.<sup>15</sup>

Furthermore, the use of BNPL is not only limited to the purchase of goods, BNPL is also used for transportation, travel, and education services, which signifies the transformation of people's consumption patterns to be more based on short-term digital debt.<sup>16</sup> This trend shows that BNPL is no longer just an alternative, but has become part of the digital financial ecosystem in Indonesia. People no longer only use cash or credit cards in transactions, but increasingly rely on BNPL services as the payment method of choice. This phenomenon has a significant economic impact, but it also raises crucial questions related to ethics and compliance with sharia principles,<sup>17</sup> especially in the context of the Indonesian Muslim community.

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<sup>14</sup> Ashish Kumar, Jari Salo, and Ram Bezawada, "The Effects of Buy Now, Pay Later (BNPL) on Customers' Online Purchase Behavior," *Journal of Retailing* 100, no. 4 (2024): 604, <https://doi.org/10.1016/j.jretai.2024.09.004>.

<sup>15</sup> Aurila Hardila Saputri Muh. Maksum and Rooza Meilia Anggraini, "Journal of Sharia Economic Law Analisis Hukum Islam Terhadap Transaksi Shopee PayLater," *Journal of Sharia Economic Law* 1, no. 2 (2023): 53–62, <https://doi.org/10.37680/J>.

<sup>16</sup> Nasrullah, "Laporan Perilaku Penggunaan PayLater Indonesia 2024."

<sup>17</sup> Salsadila Habiba, Sissah, and Erwin Saputra Siregar, "Analisis Penggunaan Fitur Shopee Paylater Dalam Perspektif Mahasiswa Perbankan Syariah Febi Uin Sts Jambi," *Jurnal AkademikEkonomi Dan Manajemen* 1, no. 3 (2024): 172.

This context is becoming increasingly important for Indonesia, which is the country with the second largest Muslim population in the world, with around 241.7 million Muslim population in 2022 or about 87% of the total population.<sup>18</sup> This fact reinforces the urgency of the presence of a digital financial system that is not only innovative, but also in accordance with sharia principles. The trend of e-commerce use by Muslim consumers also showed a significant increase. Bank Indonesia noted that the transaction value of halal products in e-commerce reached IDR 20.45 trillion in January-November 2022, an increase of nearly 30% compared to the previous year.<sup>19</sup> In addition, the YouGov Ramadan 2024 survey shows that almost 89% of Indonesian Muslims choose Shopee as the main platform for online shopping.<sup>20</sup> This indicates that digital services, including BNPL, are being used massively by the Muslim community. Thus, there is an urgent need to ensure that the widely used digital financing schemes such as BNPL really comply with the principles of sharia economic law.

Although the BNPL scheme provides ease of access and high flexibility for digital consumers, this service poses a number of

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<sup>18</sup> Imam T. Saptono, "Pengembangan Instrumen Wakaf Berbasis Investasi Sosial Studi Wakaf Linked Sukuk," *Al-Awqaf: Jurnal Wakaf Dan Ekonomi Islam* 11, no. 2 (2018): 119.

<sup>19</sup> Dian Fath Risalah, "Transaksi Produk Halal Di E-Commerce Makin Meningkat," *Republika*, 2022, [https://sharia.republika.co.id/berita/rwnego502/transaksi-produk-halal-di-e-commerce-makin-meningkat#:~:text=Bank Indonesia %28BI%29 mencatat%2C total nilai transaksi produk,atau year on year %28yoy%29 dibanding tahun sebelumnya](https://sharia.republika.co.id/berita/rwnego502/transaksi-produk-halal-di-e-commerce-makin-meningkat#:~:text=Bank Indonesia%20BI%29 mencatat%2C total nilai transaksi produk,atau year on year%28yoy%29 dibanding tahun sebelumnya.).

<sup>20</sup> Wahyu Kurniawan, "Survei YouGov: Minat Tinggi Konsumen Indonesia Dalam Belanja Online Selama Ramadan," *Naker.news*, n.d., <https://www.naker.news/news/1991003511/survei-yougov-minat-tinggi-konsumen-indonesia-dalam-belanja-online-selama-ramadan>.

problems<sup>21</sup> from the perspective of sharia economic law.<sup>22</sup> One of the main problems is the incompatibility of the contract underlying BNPL transactions with the basic principles of sharia.<sup>23</sup> Many BNPL platforms do not explicitly explain what contract is used in the transaction process, thus creating ambiguity (*gharar*). In fact, in Islamic buying and selling transactions, clarity on the object of the contract, price, payment time, and rights and obligations of the parties is an aspect that cannot be negotiated.<sup>24</sup>

In addition to the problem of *gharar*, another problem that arises in the practice of BNPL is the potential for *riba* and *dharar*. Some BNPL service providers charge late fines,<sup>25</sup> service fees, or hidden fees<sup>26,27</sup> which is often claimed as a form of administrative fee. In fiqh *muamalah*, any additional form that is not clear on the basis of the contract and charged to the consumer due to delay can be classified as *riba jahiliyah*, which is prohibited in Islam.<sup>28</sup> Wahbah Zuhaili emphasized that the validity of the contract must pay attention to the prohibition of the elements of *riba*, *gharar*, and *dharar*.

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<sup>21</sup> Consumer Financial Protection Bureau, “CFPB Takes Action to Ensure Consumers Can Dispute Charges and Obtain Refunds on Buy Now, Pay Later Loans,” Consumer Financial Protection Bureau, accessed September 23, 2025, <https://www.consumerfinance.gov/about-us/newsroom/cfpb-takes-action-to-ensure-consumers-can-dispute-charges-and-obtain-refunds-on-buy-now-pay-later-loans/>.

<sup>22</sup> Khalid Al Muzaini et al., *Piecing Together the Sharia Compliance of BNPL* (Bahrain: Shariyah Review Bureau, 2024), 10.

<sup>23</sup> Agus Salihin, “Kajian Hukum Ekonomi Syariah Tentang ShopeePayLater Sebagai Alat Transaksi (Analisis Studi Kepustakaan),” *Al-Ilm* 4 (2022): 83–95.

<sup>24</sup> Ibnu Qudamah, *Kitab Tarjamah Al-Mughni Jilid 5*, ed. Syarafuddin Khathab, Sayyi Muhammad Sayyid, and Sayyid Ibrahim Shadiq, vol. 85 (Jakarta: Pustaka Azzam, 1979), 894.

<sup>25</sup> Munawarsyah, “Analisis Hukum Ekonomi Syariah Terhadap Transaksi Paylater Pada Aplikasi Shopee,” *Glossary: Jurnal Ekonomi Syariah* 02, no. 02 (2024): 93.

<sup>26</sup> Ahmad Rifai, Tutik Hamidah, and Malik Sofy, “Shopee Paylater in Al-Qur ’ an Perspective ( Fatwa of The Indonesian Ulema Council ),” *JHIBIZ: Journal of Islamic Economy, Finance, and Banking* 9, no. 1 (2025): 91.

<sup>27</sup> Hisny Fajrussalam et al., “Analisis Pembayaran Paylater Dalam Aplikasi Shopee Menurut Perspektif Islam,” *Attadib: Journal of Elementary Education* 6, no. 2 (2022): 287.

<sup>28</sup> Ibnu Qudamah, *Kitab Tarjamah Al-Mughni Jilid 5*, 85:366–68.



*Riba* arises when there is an additional required in the absence of a real transaction, while *gharar* refers to ambiguity regarding the object, price, or ownership of the goods. The *dharar* is related to the potential loss or danger that can befall one of the parties.<sup>29</sup> This is a crucial point because a contract that contains *riba* cancels the validity of *muamalah* in the sharia view.

In addition, the aspect of property ownership is also a crucial problem in BNPL transactions.<sup>30</sup> Islam prohibits a person from selling goods that he does not legally own.<sup>31</sup> According to Ibn Qudamah, a contract of sale and purchase is considered perfect when the buyer has received the goods in real terms (*qabd haqiqi*) or obtained full rights to control the goods (*qabd hukmi*). Wahbah Zuhaili also emphasized that *qabd* is an important condition for the validity of the contract, because its absence can cause *gharar* which is prohibited in sharia transactions.<sup>32</sup> However, in BNPL schemes, service providers often act as financing parties without actually buying and owning the goods first before reselling them to consumers.<sup>33</sup> This pattern causes *gharar* because the ownership status of goods at the time of contract is often unclear, whether it belongs to merchants, BNPL providers, or consumers. This uncertainty has

<sup>29</sup> وهبة الزحيلي, "الفقه الإسلامي وأدلته" in *Darul Fikir* (Jakarta: Darul Fikir, 2011), 308–50.

<sup>30</sup> Fitria et al., "Shopee Pay Later Sebagai Metode Pemb Ayaran Menurut Fiqh Muamalah.Pdf The Combined Total of All Matches, Including Overlapping Sources, for Each Database. Crossref Database Crossref Posted Content Database Excluded from Similarity Report Shopee Pay Later," 1058.

<sup>31</sup> الزحيلي, "الفقه الإسلامي وأدلته," 400–395.

<sup>32</sup> الزحيلي, 49–48.

<sup>33</sup> Khairunnisa Handayani, Putri Azhar Nurfadillah, and Tinur LinceFirman Robiansyah, "Penggunaan Paylater Dalam Prespektif," *Al-Muamalat: Jurnal Ilmu Hukum & Ekonomi Syariah* 9, no. 1 (2024): 72–86.

implications for the validity of the contract and responsibility for the risk of goods.

This inconsistency is also exacerbated by the highly fast and automated digital model, where the contract process often takes place without legitimate interaction between the seller and the buyer. In the sharia view, a contract is not only a technical administrative matter, but also a conscious and mutually pleasing agreement between the two parties, which agrees on the terms, object, and value of the transaction.<sup>34</sup> The current BNPL digitization system still leaves a lot of gray space in the aspect of *ijab-qabul*, which should be a core part of the validity of the sale and purchase contract in Islam.

In the context of Islamic finance, the preparation of the BNPL scheme cannot necessarily eliminate the element of interest, but requires the formulation of the right contract so that the entire transaction process—from ordering goods, delayed payments, profit margins, to distributing funds—runs in accordance with sharia principles. Indonesia actually has a number of main fatwas that can be referenced, such as fatwa *murabahah*, *wakalah*, *kafalah*, and fintech financing fatwa (DSN-MUI No.117/2018). However, these fatwas have not been compiled in an operational framework that is applicable to digital BNPL transactions, especially related to the *qabd* stage, profit structure, fine mechanism, third-party involvement (platform), and risk sharing.

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<sup>34</sup> Muhammad Rivaldy, Rasta Kurniawati, and Br Pinem, “Analisis Hukum Ekonomi Syariah Dalam Transaksi Akad Qardh PayLater Pada Aplikasi Shopee,” *El-Mal: Jurnal Kajian Ekonomi & Bisnis Islam* 5, no. 5 (2024): 4168.

Thus, the main gap in this research is not in the absence of fatwas, but in the lack of standardization of the implementation of these contracts in the form of uqud murakkabah that can be applied as a sharia BNPL scheme. This shows the need to develop a multi-contract formulation (combined contracts) that is complete, binding, and functions as a business model blueprint for the fintech industry.

Therefore, this study focuses on the preparation of the formulation of uqud murakkabah for sharia BNPL as an alternative to the deferred payment model that is free of usury, minimal gharar, and has a clear basis for fiqh law. The formulation of this model is expected to be a structural reference for the development of sharia BNPL in Indonesia without having to open up the need for new fatwas, because the main contract is already available—what is needed is integration, standardization, and operational design.

## **B. Identification and Scope of Research**

Problem identification is one of several problems found in the research object that takes place. Here are some of the issues that can be identified from the above background:

1. Existing BNPL practices present potential non-compliance with sharia principles.
2. Regulations from the OJK and DSN-MUI are still general and have not provided specific operational structure for Sharia BNPL in Indonesia.
3. There is a need for a structured Sharia-compliant BNPL model that integrates fiqh al-mu'āmalah principles with Indonesia's regulatory framework and market realities



Based on the identification of problems made according to the ability of the researcher, it is necessary to make problem limits so that the research is more focused and in-depth. The limitations of the problem in this study are as follows:

1. To delve into the conditions of BNPL practices in Indonesia.
2. Identify the regulations from the OJK and DSN-MUI suitable with Sharia BNPL.
3. Compile recommendations for the sharia BNPL model in accordance with the social, economic, and legal context in Indonesia.

#### **C. Problem Formulation**

Based on the background that has been explained above, the researcher wants to formulate a problem related to Why Does Indonesia Need Sharia PayLater? Studying the Lag of Regulation and the Study of the Global Sharia Model, the researcher can formulate the problems that will be the foundation of this research as follows:

1. How do current BNPL practices operate in Indonesia?
2. To what extent can existing OJK regulations and DSN-MUI fatwas serve as a legal basis for Sharia BNPL?
3. What is the potential of the sharia BNPL model that is in accordance with the social, economic, and Islamic legal context in Indonesia?

#### **D. Research Objectives**

Based on the formulation of the problem that has been mentioned by the author above, the purpose of carrying out this research is as follows:

1. To examine the conditions of practices BNPL in Indonesia, and evaluate the level of conformity with the principles of Islamic law.
2. To analyze the relevance and applicability of OJK regulations and DSN-MUI fatwas as a legal foundation for developing a Sharia-compliant BNPL framework in Indonesia.
3. Develop recommendations for the sharia BNPL model that are applicable and in accordance with the social, economic, and legal context in Indonesia.

#### **E. Research Benefits**

This research is expected to provide benefits both theoretically and practically.

##### **1. Theoretical Benefits**

- a. Adding literature and scientific studies in the field of sharia economic law, especially on the topic of sharia BNPL.
- b. Provide academic references for further research related to sharia fintech regulations in Indonesia and the Southeast Asian region.

##### **2. Practical Benefits**

This research is expected to provide input and policy recommendations for the National Sharia Council of the Indonesian Ulema Council (DSN-MUI), the Financial Services Authority (OJK), and Bank Indonesia in formulating special regulations and fatwas that regulate sharia BNPL comprehensively. The resulting recommendations will be based on comparative analysis with the regulatory and fatwa framework in Malaysia, so that it can provide a realistic, applicative, and relevant reference in accordance with the Indonesian legal and

socio-economic context. In addition, the results of this research are expected to be a guide for fintech industry players in developing BNPL products that not only comply with the principles of Islamic law, but also meet the needs of the growing Indonesian market. Thus, this research contributes to the creation of a credible, competitive, and able to protect the interests of Muslim consumers.

#### **F. Discussion Systematics**

This thesis is arranged in several chapters consisting of sub-chapters. The systematics of the discussion are as follows:

The first chapter of the researcher will discuss the background and formulation of the problem, the purpose of the research, and the benefits of research as a basis for writing a thesis.

The second chapter of the researcher will discuss a literature review that contains the theoretical basis to start the data that has been presented regarding the content of this thesis, which consists of: Regulatory Gaps Theory, Contract Theory in Sharia Economic Law, Sharia Compliance Concept and *Buy Now, Pay Later* Scheme Concept. In addition, previous studies were also reviewed and the research frame was described.

The third chapter of the researcher will explain the approach and type of research, the subject of the research, the source and type of data, data collection techniques, and data analysis techniques.

The fourth chapter is data and research results, the researcher will present the results of analysis from several previous literature and interviews with respondents. In this section, we will analyze how the gap or regulatory gap regarding BNPL in Indonesia with data

reinforcement comes from Malaysian regulations. In addition, in the analysis, an in-depth discussion will be presented regarding the potential of contracts that can be integrated into the BNPL scheme in Indonesia.

The fifth chapter of the researcher contains conclusions from the research results as well as suggestions that can be given to practitioners, regulators, and academics for the development of Paylater schemes in accordance with the principles of sharia economic law in Indonesia.

In addition, these chapters are also equipped with a bibliography of appendices (if any) to be a support and reinforcement in writing this research.

