Journal of Judicial Review
https://journal.uib.ac.id/index.php/jjr

Empowerment Community Welfare After the Pandemic in Indonesia: The Role of Fintech?

Asri Elies Alamanda
Faculty of Law, Universitas Bojonegoro, Indonesia
Corresponding email: asrieliesemail@gmail.com

Info Artikel
Submitted: 1/11/2022
Revised: 7/11/2022
Aceppted: 7/12/2022

Keywords:
Community Welfare; Pandemic Covid-19; Fintech

DOI:
http://dx.doi.org/10.37253/jjr.v24i2.7223

Abstract

Financial technology or fintech is a term or term to denote companies in the financial sector that provide modern technological innovations in banking payments. The number of financial technology is constantly increasing with various estimates and the number of more than ten thousand companies. The development of Financial Technology is inseparable from the risks, as some of the risks that arise are related to consumer protection which includes the protection of funds and user data. The purpose of this study is to find out how fintech regulation in Indonesia, to understand the existence of Fintech in the digital era and to know and understand the role of fintech in improving the welfare of society after the pandemic. The research method used is Normative Juridical and The approach method used is descriptive and qualitative research methods. The results showed that fintech is very popular and is an alternative to the use of financial technology and is a foundation for people who are far from the conventional financial business sector. OJK and BI as supervisors of the financial sector also issued several regulations related to the implementation of fintech in order to ensure a safe and comfortable financial business and not violate the principle of prudence. In its implementation, it is hoped that the public will not borrow and use fintech technology that has not been registered with the OJK or at BI. This requires the government to be more aggressive in socializing fintech that is legal and registered with the OJK or BI.

A. INTRODUCTION

Nowadays, technology is developing very rapidly related to meeting people's needs to obtain information and electronic services (Disemadi, 2021; Putri, 2022). Human mobilization that is developing faster and unavoidably can also force an increase in electronic activities. By using technology, people feel more economical and efficient and make it easier to obtain a service (Wijaya & Herwastoeti, 2022; Sudirman & Disemadi, 2022). Likewise, in terms of finance, in addition to experiencing a very significant development of financial technology, it is also very possible for people to make payments electronically from anywhere. Meanwhile, from the other hand, finance and technology are a combination that cannot be separated or tied together. The term financial technology has been used in several developed countries in the world, and recently Indonesia has also begun to adopt Financial technology (Wijaya & Herwastoeti, 2022). Financial technology is the result of a combination of financial services with technology, which then changed the business model to be more modern. What initially had to pay through face-to-face can now be done remotely with a relatively fast time. The various conveniences of technology bring unavoidable impact and consequence. Forcing business people to prepare supporting facilities to make it easier for people to facilitate access to technology (Sudirman & Disemadi, 2022).

In its development, economic and technological growth is inseparable from the banking sector. In principle, banking is an intermediation institution that has an important role in a country's economy, its task is to collect funds from the public to be channeled back (Basrowi, 2019). Fintech is a form of technological development in the field of finance and refers to modern technology (Priyonggojati, 2019). Fintech began to develop when there were difficulties and limitations of banks to serve the needs of people who were far from banking access so that there was an imbalance in economic development (Sihombing, 2021). The benefits obtained from the existence of Fintech, of course, people can use financial services easily without traveling long distances. Financial technology or financial technology is a designation or term to denote companies in the financial sector that provide modern technological innovations in banking payments (Nasikhatuddini, 2021). The number of financial technologies is constantly increasing with various estimates and the number of which is already more than ten thousand companies. The concept, of course, adapts developments related to technology and then matched with the sector of financial institutions/banks so that the expected results of the financial transaction process can become more practical and modern (Ningsih & Fitri, 2022). The trend of Financial technology began to develop since 2010, and the companies that follow this trend are micro, small and medium enterprises that have ideas on how to improve the quality of financial services. In the financial/banking industry (Setiawati, Maharani, Kurniasih & Afdah, 2022), the advantages of each bank can be seen from the service facilities which of course can make it easier for customers to make transactions such as services from bank employees and in terms of technology such as ATMs and Internet Banking. Digital services related to finance such as fintech have several models / types of products, namely: payments, financial planning, and investment (Martinelli, 2021).

The role of financial technology in Indonesia includes encouraging the low export ability of MSMEs, encouraging equitable distribution of the level of welfare of the population, helping to meet the needs of domestic financing which is still very large, encouraging an increase in the distribution of national financing, and increasing national financial inclusion (Rasidi, Budi & Hatmoko, 2021). The development of financial technology is inseparable from the risks, as for several risks that arise related to consumer protection which includes the protection of funds and user data. After approximately two years of the Covid-19 Pandemic hit, making all sectors, especially the economic sector, slow down and have a major effect on financial turnover. The policy made by the government to overcome the COVID-19 pandemic is the enactment of PPKM, Large-Scale Social Restrictions. This restriction, of course, causes the MSME sector to experience obstacles and difficulties. The reduction in the level of ordering, limited distribution and difficulty in obtaining raw materials have made it difficult for the MSME sector to pay the costs incurred, especially regarding the employee salary system.

B. RESEARCH METHOD

In this study, the research method used was Juridical Nornative. Normative juridical research methods are research carried out by researching and examining literature materials or secondary data only (Tan, 2021). In normative juridical research, library materials are one of the basic data in research science and are included in the secondary data group. The secondary data in question has a wide source and scope, including personal letters, diaries, to official documents issued by the government. One of the characteristics of secondary data is that it generally exists in a state of readiness, in the sense that it has been created and formed by researchers who came first and can be obtained without being limited in time and place.

The approach method used is descriptive and qualitative research methods (Tan, 2021). The descriptive approach method is research that describes data and information based on facts obtained in the field. Descriptive research is the most basic research, the purpose of which is to describe phenomena that are scientific or a human engineering. In this study will examine the form, characteristics, activities, relationships, changes, differences and similarities with other phenomena. While the qualitative approach method is a study whose results are in the form of descriptive data in the form of writing or speech or behavior observed from an object (Furchan, 1992). According to Sukmadinata, qualitative research is a study whose purpose is used to describe or explain and analyze a phenomenon, event, attitude, belief, social activity, and individuals and groups. Qualitative research usually uses methods in the form of interviews, observations and utilization of documents. Qualitative descriptive approach is an approach carried out where the data collected are words, images and are not in the form of numbers or statistics, but in the form of exposure or description of the condition of objects in the field. The data can be obtained from the results of field defects, interviews, videos, photos, personal documentation etc. The data collection method is carried out with a literature study. Literature studies are carried out by studying book references, browsing the internet and articles related to research objects. Data collection in this way is expected to better support the object of research by comparing theories and practices in the field.

C. RESULTS AND DISCUSSION

Fintech Regulations in Indonesia

Fintech or financial technology is the latest innovation in the financial industry that develops using technology. One of the products is usually a system that is built and developed to carry out specific financial transaction activities. Fintech is also often called Fintech peer to peer lending or information technology-based lending and borrowing services, which allow lenders and borrowers to make transactions without having to meet in person and can be done remotely (Muchtar, & Zubairin, 2022). In a broader sense, Fintech is defined as one of the industries consisting of several companies that use technology to make the financial system and the improvement of financial services more efficient (World Bank, 2022). There are four categories of Fintech that serve financial services, namely; payment, clearing, transfer and settlement. These four activities are very closely related to mobile payments either by banks or non-bank institutions, electronic wallets, digital currencies and the use of distributed ledger technology (Wijaya & Herwastoeti, 2022). Some of these models aim to increase the turnover of money and ensure the ease of consumers to pay for a service or good. Fintech is a non-bank financial institution that makes it easier for Indonesians to borrow money online (Nugraha & Apriani, 2021).

Article 65 of the Law of the Republic of Indonesia No. 7 of 2004 concerning Trade confirms that for trade transaction activities carried out through electronic systems carried out by business actors who trade goods or services, they are required to provide data or information correctly and completely, and are prohibited from trading goods or services that are not in accordance with what is offered (Koeswanto, & Taufik, 2017). Owners and users of fintech services can also be categorized as consumers and of course as consumers need to get protection from the state. As explained in Article 1 of Law No. 8 of 1999 concerning Consumer Protection "consumer protection is any effort that guarantees legal certainty to provide protection to consumers".

Additional protection regulations issued by Bank Indonesia are Bank Indonesia Regulation No.19/12/PBI/2017 concerning Financial Technology Implementation, with the aim of clarifying legal protection for FinTech owners and users as well as risk management and prudence in order to maintain financial stability and an efficient payment system. In article 3 paragraph (1) the scope of fintech implementation is categorized into; for Payment systems; to Support the market, as Investment management and risk management, for Lending, financing, and capital provision; and Other financial services. While in Article 3 paragraph 2 fintech is expected to be innovative, can have an impact on existing products, services, technology, and / or financial business models, can provide benefits to the community, can be widely used; and other criteria set by Bank Indonesia.

Other regulations related to Fintech are 1) Bank Indonesia Regulation No.18/40/PBI/2016 concerning the Implementation of Payment Transaction Processing; 2) Regulation of Members of the Board of Governors No.19/14/PADG/2017 concerning Financial Technology Regulatory Sandbox; 3) Regulation of Members of the Board of Governors No.19/15/PADG/2017 concerning Procedures for Registration, Submission of Information, and Monitoring of Financial Technology Operators; 4) Bank Indonesia Regulation No.11/12/PBI/2009 jo. PBI No.16/8/PBI/2014 jo. PBI No. 18/ 17 /PBI/2016 concerning Electronic Money; and 5) Bank Indonesia Circular Letter No. 18/22/DKSP concerning the Implementation of Digital Financial Services.

The fintech business is regulated and supervised by BI and OJK as financial services regulators. OJK continues to encourage business people to register legally to facilitate supervision and provide a sense of security for consumers and fintech providers. Not only Bank Indonesia has issued a number of regulations regarding fintech, the financial services authority has also issued one of the regulations related to fintech through the Financial Services Authority Regulation No.77 / POJK.01 / 2016 concerning Information Technology-Based Money Lending and Borrowing Services, hereinafter referred to as LPMUBTI. In this POJK, it regulates the General Provisions, Implementation, Lpmubti Service Users, Agreements, Risk Mitigation, IT System Governance, Education and Protection of LPMUBTI Users, Electronic Signatures, Principles and Technical Customer Introduction, Prohibitions, Periodic Reports, Sanctions, Other Provisions, Transitional Provisions, Closing Provisions. The content of POJK No.77 / POJK.01 / 2016 2016 concerning Information Technology-Based Money Lending and Borrowing Services can be concluded, bringing the OJK to regulate fintech business which includes technology-based money lending and borrowing.

In article 1 number 3 of POJK No. 77 / POJK.01 / 2016 2016 concerning Information Technology-Based Money Lending and Borrowing Services, it is written that what is meant by Information Technology-Based Money Lending and Borrowing Services is the implementation of financial services that have the aim of bringing lenders together with loan recipients in order to enter into loan agreements in rupiah directly through online. If the fintech organizer does not comply with the regulations and is proven to have committed violations, sanctions can be given to the organizer in the form of administrative sanctions. As written in Article 47 paragraph (1) of POJK LPMUBTI administrative sanctions can be in the form of written warnings, fines (obligation to pay a certain amount of money), restrictions on business activities and revocation of permits. Then in article 47 paragraph (2) POJK LPMUBTI explains that administrative sanctions as referred to in paragraphs (1) letters a to d can be subject to fines without administrative sanctions in the form of written warnings.

In addition, OJK also issued provisions of SEOJK No. 18 / SEOJK.02 / 2017 concerning Governance and Risk Management of Information Technology in Information Technology-Based Money Lending and Borrowing Services whose contents explain the placement of data centers and disaster recovery as well as plan recovery plans, regarding electronic system governance and information technology which includes strategic plans for electronic systems, human resources, and management of information technology change; Technology transfer; regarding the Management of data and information; regarding Information technology risk management; regarding Securing electronic systems Incident handling and resistance to disruption; regarding the Use of electronic signatures Service availability and transaction failure; and regarding the disclosure of product and service information.

POJK LPMUBTI requires fintech operators to prioritize information disclosure to prospective customers in order to assess the level of borrowing risk and determine interest. Information disclosure is needed to protect the interests of consumers and minimize losses caused by the negligence of fintech operators. In 2018 OJK again issued Financial Services Authority Regulation No. 13 / POJK.02 / 2018 concerning Digital Financial Innovation in the Financial Services Sector with the aim that the implementation of digital financial innovation can be carried out more responsibly. This regulation also aims to make the development of digital financial innovations carried out more responsibly, then through this regulation it is hoped that it can help monitor Digital Financial Innovations more effectively. This POJK, especially in article 3, also regulates the scope of fintech business into several types, including; Transaction settlement, capital raising, investment management, fund raising and distribution, insurance, market support, other financial supporters and other financial service activities.

OJK's job is to regulate and license and supervise registered P2P Lending fintechs. Meanwhile, for fintechs that have not been registered with the OJK, higher regulations are still needed than POJK. Higher regulations mean legislation, for example a Regulation that uses the word "whoever" and causes criminal consequences. Meanwhile, the POJK does not contain these words, the sanction is only the revocation of a business license or the revocation of a registration mark (Wibowo & Sumiyati, 2021).

The issuance of POJK must have a reason, Indonesia as an archipelagic country is not impossible to make online transactions because if it is done offline, the costs incurred will be expensive. For example, even if it is forced offline, social justice is not achieved for all indonesian people, especially in the economic sector. The presence of fintech P2P Lending is very important to grow the MSME sector. MSMEs are considered to absorb a lot of labor, but unfortunately it is still difficult related to access to funding through the conventional financial industry.

In terms of supervision, BI and OJK have different duties. Bank Indonesia has the authority to conduct experiments on fintech companies that use electronic payment systems such as OVO. Meanwhile, OJK is authorized to conduct an assessment on fintech technology such as P2P Lending. The regulations that have been made are indeed very necessary to regulate fintech businesses, especially in Indonesia. Especially regulations related to the implementation and supervision in order to create a payment system that is safe, efficient, smooth and without violating the principles of prudence, national interest and consumer protection related to the enforcement of consumer rights. Another regulation is the Board of Governors Regulation No. 19/15/PADG/2017 concerning Procedures for Registration, Submission, Information, and Monitoring of Information Technology Implementation and Monitoring of Financial Technology Implementation relating to technical arrangements regarding Financial technology.

Bank Indonesia still makes the principles of risk management and prudence in terms of registration, information delivery and fintech monitoring as the main concern and requires the appreciation of all parties in order to achieve the objectives of creating safe and comfortable conditions for its use (Pasaribu, 2021). Fintech operators who are not registered with BI must still report on products, services, technology or business models used to Bank Indonesia.

The fintech operator must be a legal entity in accordance with the regulations governing it (Basrowi, 2019). Organizers registered with BI will be published on BI's official website and can be deleted if; Products, technology services or business models are no longer used, fintech operators have obtained permission from BI or OJK, fintech providers have received sanctions from BI / OJK, fintech operators commit non-criminal or declared bankruptcy, there are recommendations from the competent authority and fintech operators report information that is not in accordance with actual conditions.

Recently, OJK issued a new rule based on the morning principle of P2P Lending, this rule is considered more flexible in accommodating fintech developments while strengthening supervision. This rule is attached to POJK No.10/POJK.05/2022 concerning Information Technology-Based Joint Funding Services (POJK LPBBTI/Fintech P2P Lending). This POJK is effective since its promulgation on July 4, 2022 as well as repealing POJK 77/2016. This POJK was issued with the aim of developing a financial industry that can encourage the growth of alternative financing, facilitate and increase funding access for the community through technology-based funding efforts.

This POJK enhances POJK No.77 / POJK.01 / 2016 concerning Information Technology-Based Money Lending and Borrowing Services. POJK Fintech P2P Lending was issued to accommodate the faster development of the financial industry and contribute to optimal consumer protection arrangements. The general explanation of the rule explains that the development of the LPMUBTI industry reaches a very high number and the number continues to grow significantly. The development of this industry that has a good impact needs to continue to be developed in order to get maximum results and make an optimal contribution to the Indonesian nation through the funding sector. POJK LPBBTI / Fintech P2P Lending also regulates new fintech providers to directly take care of the OJK licensing process. Regarding the maximum funding limit given at most 25% of the final funding position at the end of the month. The maximum funding limit given to each recipient of funds still remains 2M.

In order to support government programs, organizers can cooperate with government agencies to become distribution of state securities. The organizer is obliged to use an electronic system in the implementation of its business activities and the organizer must master its business. Organizers are also required to submit funding transaction data to fintech lending data centers with the OJK and integrate the operator's Electronic System into fintech data centers. The presence of fintech lending aims to be an alternative funding for the community, especially MSME players.

There are 7 points of direction for the development of the fintech lending industry in POJK LPBBTI / Fintech P2P Lending, namely, improving the quality of service providers, improving transparency and consumer protection, effective supervision, strengthening institutions and governance, quality of more effective risk management, ecosystem development and synergy of the financial services industry and increasing industry contributions (Nasikhatuddini, 2021). Through this abru regulation, online loan service providers have become more regarded as financial service institutions and no longer as an industry that is in the trial stage.

The Existence of Fintech in the Digital Period

Fintech is the result of a combination of financial services and technology that changed the conventional business model to modern, which must meet in person can now be done remotely which must be with cash can now use electronic money and is done within seconds (Aminuddin, 2021). Fintech is evolving following the changing lifestyles of people who are currently prioritizing fast-paced technology. Fintech can help easy, economical and efficient transactions and payment systems (Bank Indonesia, 2018).

By utilizing the internet and software, the credit distribution process can be done easily and quickly. The business processes that can be completed with fintech are investment, payment, financing, insurance etc. The services owned by fintech are certainly different but still related to finance. There are startups that focus on microbusiness, by providing credit sales, bill payments, and financial services. Then there are also startups that focus on providing payment gateways to facilitate various kinds of payment matters. There are also fintech startups that focus on providing financial products, such as credit cards, insurance, and investments.

Fintech emerged because of the birth of various societal obstacles in terms of finance. Strict regulations and limited banking industry services in serving people who are out of reach. This has caused the banking accent to not be obtained optimally, so the development is uneven. Therefore, Fintech is considered as a solution because it is flexible and can be done with the internet network. Fintech continues to grow every year, according to sources from the World Bank, Fintech users continue to rise from the initial 7% in 2007 to 20% in 2011, in 2014 to 36% then in 2017 to 78% with a total of 135-140 companies with total Fintech transactions in Indonesia in 2017 reaching Rp 202.77 Trillion (Sikapi Uangmu, nd).

The presence of financial technology such as fintech is clearly helping people in obtaining financial services. People who need financial assistance can simply apply online. The ease of this service can be seen from the fast disbursement process and the lack of documents needed. Through fintech, all financial transactions such as transfer processes, payments, financing, payments become easier and more practical. All of them can be accessed only through smartphones. Fintech can also strengthen state finances because it can increase people's purchasing power for a product (Nasikhatuddini, 2021).

Nowadays, fintech is not a threat, even some online credit providers or fintech lending companies collaborate with banks. Not only that, the collaboration between fintech and eccomerce is also increasing this year. It is estimated that fintech growth can more than triple compared to last year. There will also be many banks that channel unsecured loans through fintech lending. Likewise, fintech collaboration with eccomerce will intensify this year. The existence of this new way or trend will certainly have a positive impact on the economic sector in Indonesia. Fintech is also considered to be able to open up opportunities for employment from all sectors. The existence of fintech can help reach the MSME sector that has not been touched by banking services before. Indirectly, fintech can increase financial inclusion to the lower middle class.

During the pandemic, the virtual world has become much busier and busier than ever. This is because more and more people are switching to using gadgets and computers as life-connecting tools in order to replace activities that cannot be done directly. This change has an impact on economic development by accelerating its digital transformation. Inevitably, the covid pandemic has caused a lot of unemployment to increase and increase the level of poverty. However, it can be thanked that when the pandemic hit, digital transformation actually developed and encouraged the business sector and the economy. The development of the digital economy that has been present such as various types of e-commerce as well as fintech services is increasingly rampant among the public. From that, it can be concluded that the digital economy is developing and the pandemic is helping to accelerate the development of digitalization of the economy. The push to reduce interactions during the covid 19 pandemic has prioritized digitization and automation and since the beginning of the pandemic, digitization and automation have been sought to be accelerated because as an adopso it helps reduce non-physical needs.

The existence of fintech will definitely be balanced with negative impacts. The high public interest in using fintech services encourages illegal fintech individuals (Benuf, 2020). In addition, this fintech platform will increase the risk of crime in the field of eccomerce both in terms of data hacking, financing fraud, and misuse of client data. In addition to being able to move the wheels of the economy, it can also change consumer patterns because the ease of payment will further encourage an increase in consumption patterns which unwittingly lead to extravagant living behavior. Another impact, the existence of fintech is considered to have a major influence on the problems of MSME business people as evidenced by the closure of several minimarket outlets and supermarkates in Indonesia.

Covid 19 has encouraged changes in consumer and business behavior, even among which can survive to varying degrees in the long run. Some of the sectors that are in great demand after Covid-19 are the education sector whose access is increasingly widespread as a result of online learning innovations, the health sector which also continues to grow with technological developments, the fintech sector where digital lending and online investment are increasingly popular, and the e-commerce sector where the number of buyers is increasing in this pandemic era.

The Role of Fintech in Improving Community Welfare After the Pandemic

The impact of the Covid-19 outbreak has slowed down economic turnover and business activities. When the covid-19 outbreak hit, it indirectly forced all circles of society to be technologically literate. Covid 19 has had a very significant impact on all sectors and activities. In addition to having an impact on the health sector, the Covid-19 pandemic has also had an impact on the economic sector. Many business sectors are forced to go out of business or lay off part or even all of their workforce, which of course brings challenges for business actors and the community. Because this Covid pandemic has an impact related to the instability of the economic system and forces the government to find solutions to overcome the impacts caused.

In the financial sector, it must continue to improve and innovate related to financial technology to keep up with the times (Benuf, 2020). Currently, after the pandemic, financial adaptation is important in keeping up with the times. In its implementation, it needs support from all parties, including the financial industry sector with the use of fintech technology (Sihombing, 2021). The existence of fintech technology is considered to be very supportive of performance in improving the economy by increasing access and centralizing the financial system, especially from MSMEs. In terms of cost expenditure, fintech is among the low-cost ones because of this, fintech can reach all levels of society.

The development of fintech is currently still the most promising industry. Despite several pandemic waves, fintech continues to contribute greatly to the digital economy. At the end of October 2021, fintech together with the OJK (Financial Services Authority) noted that fintech loan disbursements to the public had reached IDR 272.43 trillion and the ongoing funding value was IDR 27.91 trillion (Hudayanto, 2021). Based on data from the Ministry of Cooperatives and MSMEs, the number of MSMEs in Indonesia reached 64.2 million in 2018 or equal to 99.99% of the total number of business actors. Digital trade is expected to reach 33.2% from 2020 to IDR 337 trillion by 2021. The role of fintech in improving people's welfare after the pandemic is that there are already many MSME products that during the pandemic must inevitably follow the use of digital-based services or use payment systems using applications and collaborating with banks (Hapsari, Hesti & Gea, 2022).. Currently, with the existence of fintech, financial institutions can reach all small MSMEs in the region even though and are alleged to be able to facilitate easier and faster access to business financing. Fintech greatly contributes to the empowerment and development of local MSMEs. The ability to innovate products and processes is one way that an MSME can develop and survive in the pandemic and post-pandemic era. The greatest potential obtained and utilized in the application of digital technology is to bring together consumers and producers through ecommerce platforms and can be used as a means of penetrating the world market. Fintech is a form of financial institution that is easier to adapt to the use of high and deep technology to recognize the segments of society served. With these advantages, fintech plays an important role in accelerating Indonesia's economic recovery through financial inclusion. Current technological advances, of course, have an impact on various fields of disciplines, especially economics. MSME business owners are now not only in charge of producing a product, but also must be able to adapt and follow technological developments (Azliani, Adibrata & Clement, 2015).

Economic recovery efforts are not only driven by fintech companies, but must involve all digital economic, market and financial players. Cobabaloration between parties is an important factor in terms of funding, MSME selling experience, and consumer shopping experience in the digital space. Fintech can be said to be a game changer that can change the way of thinking and can also be the main driver of the economy and can help the Indonesian economy which is in a downturn during the pandemic (Hapsari, Hesti & Gea, 2022). Fintech also plays an important role in helping the government provide non-cash social assistance for people affected by the pandemic (Asror, Djajaputra & Pandamdari, 2022). One of them is through the Pre-Employment Card program which is given to more than 5.3 million new recipients. After joining the program, fee assistance is directly sent through the recipient's digital account or e-wallet. The role of fintech to support small and medium enterprises is also very important, small entrepreneurs get more efficient and easy funding so that it can be an alternative source of funding because the procedure is considered short, simple and easy. Fintech can obviously help MSMEs to be able to expand their business through various marketplace platforms. The role of fintech needs to be optimized to encourage economic improvement, especially in the MSME sector.

The presence of fintech certainly has a role to improve the financial cycle, and can help the public in general and MSME business people in particular to be able to obtain alternatives so that financial services become easier (Hapsari, Hesti & Gea, 2022). In this day and age, which is already all digital, of course, it forces fintech to develop. MSMEs have a role that is no less important in employment and one of the businesses that are growing more and more so that their role is considered important in helping to grow the economy (Liliana, Hidayat, Atiyatna, Kahpi & Saleh, 2021).

After the Covid-19 outbreak hit in various countries, the movement of money markets globally showed a significant decline, especially in Indonesia. This is due to the announcement from the Indonesian government after the emergence of covid 19 in Indonesia (Benuf, 2020). The existence of fintech is an alternative to answer the community's need for easy and fast sources of funding. Fintech as an alternative to funding has the opportunity to fill the gaps and funding shortages that have been far and unaffordable by conventional banks, so it is expected to help encourage the improvement of financial inclusion. The presence of technology-based fintechh is expected to be an alternative to help people's difficulties, but now there are many illegal fintechs so that people do not fully believe in fintech products. It is hoped that fintech organizers will be able to better market their products to convince the public about the use of official or legal fintech. In this case, consumers or communities are expected not to be trapped by the existence of illegal fintech and to be more careful of all fintech means (Basrowi, 2019).

Fintech is not only peer to peer lending (P2P Lending) or known as online lending, but has a wider meaning and reach. All financial services that use digital can be said to be fintech. The role of fintech after the pandemic can be classified into several classifications, namely; first from the user's side. The covid pandemic that has hit almost the entire world has made people aware of the importance of investment, and health insurance. Secondly, from the platform provider side, as a result of the pandemic, fintechs will be more careful in providing credit to debtors so that there is no delay in payments (Hanifawati, 2021). Third, from the regulator's side. Since the pandemic hit, it has forced all people to change their habits. What used to be done in schools face-to-face, is now done online (Benuf, 2020). This was followed up by the government by issuing several rules regarding social distancing etc.

Fintech development involving organizers comes from various business models such as P2P Lending, Project Financing, Financial Planner, and digital wallets will continue to be carried out considering the large potential for collaboration between fintech organizers and MSME players to present solutions and can support the national economic recovery (Hapsari, Hesti & Gea, 2022). During the Covid-19 pandemic, many banking financial institutions do not want to channel their credit, this is an opportunity for P2P Lending to continue to exist and be increasingly in demand and growing in the midst of society. It is expected to be a substitute for conventional financial institutions in the context of economic recovery during the pandemic. The distribution of funds by fintech is expected to encourage income increases in all economic lines, including households, governments and companies.

D. CONCLUSION

Fintech is considered a solution because it is flexible and can be done with the internet network. Fintech continues to grow every year, initially 7% in 2007 increased to 20% in 2011, in 2014 to 36% then in 2017 to 78% with a total of 135-140 companies with total Fintech transactions in Indonesia in 2017 reaching Rp 202.77 Trillion. The presence of this fintech clearly helps the public in obtaining financial services. People who need financial assistance only need to apply online. The ease of this service can be seen from the fast disbursement process and the lack of documents needed. Through fintech, all financial transactions such as transfer processes, payments, financing, payments become easier and more practical. All of them can be accessed only through smartphones. Fintech can also strengthen state finances because it can increase people's purchasing power for a product.

In Indonesia, there are several regulations regarding Fintech, namely Bank Indonesia Regulation No.19/12/PBI/2017 concerning the Implementation of Financial Technology. Other regulations related to Fintech are 1) Bank Indonesia Regulation No.18/40/PBI/2016 concerning the Implementation of Payment Transaction Processing; 2) Regulation of Members of the Board of Governors No.19/14/PADG/2017 concerning Financial Technology Regulatory Sandbox; 3) Regulation of Members of the Board of Governors No.19/15/PADG/2017 concerning Procedures for Registration, Submission of Information, and Monitoring of Financial Technology Operators; 4) Bank Indonesia Regulation No.11/12/PBI/2009 jo. PBI No.16/8/PBI/2014 jo. PBI No. 18/ 17 /PBI/2016 concerning Electronic Money; and 5) Bank Indonesia Circular Letter No. 18/22/DKSP concerning the Implementation of Digital Financial Services. And most recently POJK No.10/POJK.05/2022 concerning Information Technology-Based Joint Funding Services (POJK LPBBTI/Fintech P2P Lending). With several regulations regarding fintech, it is hoped that it can protect consumers from all forms of losses caused by this fintech business. In its implementation, it is hoped that the public will not borrow and use fintech technology that has not been registered with the OJK or at

BI. This requires the government to be more aggressive in socializing fintech fintech that is legal and registered with the OJK or BI.

E. REFERENCES

Aminuddin, N. A. (2021). Legislasi Perlindungan Hukum Terhadap Fenomena Financial Technology Peer To Peer Lending Di Indonesia. *Jurnal Hukum Dan Pembangunan Ekonomi*, *9*(1), 80-94, https://doi.org/10.20961/hpe.v9i1.52609

Asror, E. M., Djajaputra, G., & Pandamdari, E. (2022). Berbagai Kendala Penegakan Hukum Terhadap Fintech Ilegal. *Synotic Law: Jurnal Ilmu Hukum*, *1*(1), 31-44, https://doi.org/10.56110/sl.v1i1.3

Azliani, N., Adibrata, Y., & Clement, Y. (2015). Strategi Pemasaran dalam Pengembangan UMKM Berbasis Kerajinan untuk Menghadapi Era Ekonomi Digital (Studi Kasus di Desa Kopo, Kecamatan Cisarua, Kabupaten Bogor). *Sustainable Competitive Advantage (SCA)*, *5*(1).

Bank Indonesia. (2018). Mengenal Financial Teknologi, https://www.bi.go.id/id/edukasi/Pages/mengenal-Financial-Teknologi.aspx

Basrowi, B. (2019). Analisis Aspek Dan Upaya Perlindungan Konsumen Fintech Syariah. *Lex Librum: Jurnal Ilmu Hukum*, *5*(2), 959-980, http://dx.doi.org/10.46839/lljih.v5i2.134

Benuf, K. (2020). Urgensi kebijakan perlindungan hukum terhadap konsumen fintech peer to peer lending akibat penyebaran COVID-19. *Jurnal Rechts Vinding: Media Pembinaan Hukum Nasional*, *9*(2), 203, http://dx.doi.org/10.33331/rechtsvinding.v9i2.427

Disemadi, H. S. (2021). Fenomena Predatory Lending: Suatu Kajian Penyelenggaraan Bisnis Fintech P2P Lending selama Pandemi COVID-19 di Indonesia. *Pandecta Research Law Journal*, *16*(1), 55-67, https://doi.org/10.15294/pandecta.v16i1.26860

Furchan, A. (1992). *Pengantar Metodologi Penelitian Kualitatif.* Surabaya: Usaha Nasional.

Hanifawati, S. D. (2021). Urgensi Penegakan Hukum Pidana pada Penerima Pinjaman Kegiatan Peer To Peer Lending Fintech Ilegal dan Perlindungan Data Pribadi. *Jurnal Penegakan Hukum Dan Keadilan*, *2*(2), 162-172.

Hapsari, R. A. E., Hesti, Y. E., & Gea, D. K. E. (2022). Perlindungan Hukum Dalam Modernisasi Umkm Melalui Penerapan Fintech Di Era Digital (Studi Kasus Pada Otoritas Jasa Keuangan dan Dinas Koperasi dan UMKM Provinsi Lampung). *Jurnal Penelitian Dan Pengkajian Ilmiah Sosial Budaya*, *1*(2), 409-417, https://doi.org/10.47233/jppisb.v1i2.617

Hudayanto, A. (2021). *Fintech dan E-Commerce Dorong Percepatan Pemulihan Ekonomi di Masa Pandemi*, https://www.okezone.com/tren/read/2021/12/06/620/2512575/fintech-dan-e-commerce-dorong-percepatan-pemulihan-ekonomi-di-masa-pandemi

Koeswanto, E. S., & Taufik, M. (2017). Perlindungan hukum terhadap investor yang melakukan investasi virtual currency. *Jurnal Living Law*, *9*(1).

Liliana, L., Hidayat, A., Atiyatna, D. P., Kahpi, M., & Saleh, S. (2021). Peran Fintech dalam Meningkatkan Keuangan Inklusif UMKM. *Jurnal Manajemen Dan Bisnis Sriwijaya*, *19*(2), 91-102.

Martinelli, I. (2021). Menilik Financial Technology (Fintech) dalam Bidang Perbankan yang dapat Merugikan Konsumen. *Jurnal SOMASI*, *2*(1), 32-43.
Muchtar, E. H., & Zubairin, A. (2022). Fintech Syariah Dalam Perspektif Hukum Islam. *Jurnal Asy-Syukriyyah*, *23*(1), 14-21, https://doi.org/10.36769/asy.v23i1.185
Nasikhatuddini, S. (2021). Perlindungan Hukum Pidana Terhadap Nasabah Dalam Pelaksanaan Pinjam Meminjam Uang Berbasis Teknologi Informasi (Fintech) Peer To Peer Lending. *Lex Renaissance*, *6*(3), 437-448, https://doi.org/10.20885/JLR.vol6.iss3.art1
Ningsih, S. W., & Fitri, W. (2022). Aspek Penegakan Hukum Terhadap Kejahatan Fintech Syariah Pada Masa Pandemi di Indonesia: Perspektif Hukum Jinayah. *JUSTISI*, *8*(1), 15-29, https://doi.org/10.33506/js.v8i1.1552
Nugraha, F. I., & Apriani, R. (2021). Tinjauan Hukum Tentang Pengawasan Bank Dan Perlindungan Nasabah Dalam Menggunakan Fintech (Finansial Technology) Oleh Otoritas Jasa Keuangan. *Gorontalo Law Review*, *4*(2), 235-246, https://doi.org/10.32662/golrev.v4i2.1491
Pasaribu, M. P. J. (2021). Tinjauan Yuridis terhadap Kedudukan Fintech Yang Tidak Terdaftar di Otoritas Jasa Keuangan. *Jurnal Ilmiah Penegakan Hukum*, *8*(1), 49-58.
Priyonggojati, A. (2019). Perlindungan Hukum Terhadap Penerima Pinjaman Dalam Penyelenggaraan Financial Technology Berbasis Peer To Peer Lending. *Jurnal USM Law Review*, *2*(2), 162-173, http://dx.doi.org/10.26623/julr.v2i2.2268
Putri, P. M. D. (2022). Perlindungan Bingkai Fintech Di Indonesia Ditinjau Dari Perspektif Hukum Bisnis. *Jurnal Penegakan Hukum Indonesia*, *3*(1), 29-39, https://doi.org/10.51749/jphi.v3i1.55
Rasidi, Y. S., Budi, C. S., & Hatmoko, P. A. (2021). Fintech Syariah Alternatif Pendanaan Umkm Pada Masa Pandemi Covid-19 Di Indonesia. *Finansha-Journal of Sharia Financial Management*, *2*(1), 1-10.
Setiawati, D., Maharani, C., Kurniasih, L., & Afdah, A. H. (2022). Perlindungan Hukum Fintech Leading Ilegal Berdasarkan Peraturan Otoritas Jasa Keuangan Nomor 77/Pojk. 01/2016. *Borobudur Law and Society Journal*, *1*(4), 19-23, https://doi.org/10.31603/7961
Sihombing, G. L. (2021). Perlindungan Konsumen Dalam Pengawasan Perusahaan Berbasis Financial Technology. *Jurnal Kebijakan Publik*, *12*(2), 73-80, http://dx.doi.org/10.31258/jkp.v12i2.7956
Sikapi Uangmu. (nd). *Yuk Mengenal Fintech! Keuangan Digital Yang Tengah Naik Daun*, https://sikapiuangmu.ojk.go.id/FrontEnd/CMS/Article/10468
Sudirman, L., & Disemadi, H. S. (2022). Legal Protection for Borrowers and Business Dispute Resolution in Fintech Lending Services. Jurnal Jurisprudence, 11(2), 187-204, https://doi.org/10.23917/jurisprudence.v11i2.15853
Sudirman, Lu., & Disemadi, H. S. (2022). Titik Lemah Industri Keuangan Fintech di Indonesia: Kajian Perbandingan Hukum. Jurnal Pembangunan Hukum Indonesia, 4(3), 471-493, https://doi.org/10.14710/jphi.v4i3.471-493
Tan, D. (2021). Metode Penelitian Hukum: Mengupas Dan Mengulas Metodologi Dalam Menyelenggarakan Penelitian Hukum. *Nusantara: Jurnal Ilmu*

Pengetahuan Sosial, *8*(8), 2463-2478, http://dx.doi.org/10.31604/jips.v8i8.2021.2463-2478

Wibowo, S. A., & Sumiyati, Y. (2021). Tanggung Jawab Korporasi Fintech Lending Ilegal Dalam Perspektif Perlindungan Konsumen (Corporate Liability of Illegal Fintech Lending in the Perspective of Consumer Protection Law). *Law Review*, 117-144.

Wijaya, H., & Herwastoeti, H. (2022). Criminal & Civil Liability Related to Misuse of Illegal Fintech Customer Data During The Covid-19 Pandemic. *Audito Comparative Law Journal (ACLJ)*, *3*(1), 1-9, https://doi.org/10.22219/aclj.v3i1.19873

World Bank. (2022). *Fintech*, https://www.worldbank.org/en/topic/fintech