

## Bridging the Gap Between Fintech and Islamic Finance: A Systematic Literature Review

Wasim Abbas Shaheen<sup>\*1</sup>, Neelam Kasir<sup>2</sup>, Waqas<sup>3</sup>, Burhan Ali Shah<sup>4</sup>

<sup>1\*</sup> Assistant Professor, Quaid-I-Azam School of Management Sciences, Quaid- I-Azam University, Islamabad, Pakistan.

<sup>2</sup> PhD Scholar, Quaid-I-Azam School of Management Sciences, Quaid- I-Azam University, Islamabad, Pakistan.

<sup>3</sup> MPhil Scholar, Quaid-I-Azam School of Management Sciences, Quaid-I-Azam University, Islamabad, Pakistan.

<sup>4</sup> Professor, Quaid-I-Azam School of Management Sciences, Quaid-I-Azam University, Islamabad, Pakistan.

**Corresponding author:** [wasim@qau.edu.pk](mailto:wasim@qau.edu.pk)

**Keywords:** Fintech, Islamic Finance, Islamic Fintech, Islamic Financial Technology, Financial Technology, Islamic Finance

**DOI No:**

<https://doi.org/10.56976/jsom.v4i4.358>

**Submission:** November 30, 2025

**Revised:** December 10, 2025

**Accepted:** December 24, 2025

**Published:** December 27, 2025

*Financial technology (Fintech) experienced rapid transformation to develop modern systems which optimize worldwide financial operations and enhance market accessibility for everyone. The current financial transformation enables Islamic finance to apply Fintech solutions through Shariah principles to handle its special challenges and expand market opportunities. This systematic review tracks Fintech and Islamic finance convergence through a dual assessment of their operational partnership and the present obstacles and future gains that appear. The financial technology industry shows promising signs to enhance inclusivity and operational performance through new law-compliant services yet encounters various hurdles as it integrates with Islamic finance. Regulatory complexities, ethical considerations, and the need for Shariah-compliant innovation pose significant challenges. Multiple research findings have been combined to create an understanding of how Fintech transforms Islamic finance through blockchain technology acceptance of crowdfunding mechanisms and digital banking products and robo-advisory solutions. The study evaluates numerous studies to reveal essential research trends as well as unaddressed research areas which will help academics and practitioners, and policy creators make decisions about utilizing Fintech capabilities for Islamic finance development.*

## 1. Introduction

Financial technology (Fintech) has quickly changed the financial system of the world by making it more efficient, transparent, and accessible to financial services. Simultaneously, Fintech has gained more acceptance as an Islamic finance product to meet the specific Shariah needs of Islamic finance and reach an outreach and competitiveness (Malik & Shahzad, 2025). The intersection of Fintech and Islamic finance, also known as Islamic Fintech, provides new opportunities with new innovations in the form of digital banking, blockchain, crowdfunding, and robo-advisory services (Muhibban & Hasan, 2025). There are also challenges of integration associated with regulation, Shariah compliance, ethics and consumer trust (Taufik Syamlan et al., 2025). Within the context of the systematic literature review, this paper synthesizes the existing literature to review the current situation, advantages, weaknesses, and future opportunities of Fintech in Islamic finance.

Considering these things, a systematic comprehension of the intersection between Fintech and Islamic finance is now necessary to further the theory and practice. Even though the scientific interest in the field of Islamic Fintech has increased significantly, the current literature is still scattered, with many works focusing on one particular technology or the situation in a specific country, which leads to the fact that this research area has a rather piecemeal collection of works. The proposed study will fill this gap by performing a methodical literature review that will help synthesize the existing literature on the applications, benefits, challenges, and future opportunities of the Fintech in the Islamic finance ecosystem. The research should be used to add to a more consistent academic discussion, as well as to educate practitioners and policymakers towards the creation of Shariah-compliant, innovative and inclusive financial solutions.

### 1.1 Research Questions

This Research seek answers to several research questions about Fintech's current market standing in Islamic banking and associated positive aspects and difficulties faced by institutions and customers.

**RQ1.** What is the extent to which current technologies based on Fintech exist in Islamic Finance operations?

**RQ2.** What benefits and hurdles both institutions and customers face when implementing Fintech solutions in Islamic Finance.

**RQ3.** How does Fintech contribute to raising the inclusiveness and accessibility of Islamic financial services.

**RQ4.** What are the prospects for Islamic Fintech?

## 2. Literature Review

Table no 1 provide the detail researches about Islamic Fintech.

**Table No 1: Literature Review**

| S.No | Title   | Key Findings   |
|------|---|--|
| 1    | Measurement and Structural Modelling on Factors of Islamic Payment Gateway System Among Millennial Generation in Malaysia | The adoption of Islamic Payment Gateway Systems depends mostly on Performance Expectancy (PE) Effort Expectancy (EE) Social Influence (SI) and Facilitating Conditions (FC). |

|    |   |   |
|----|---|---|
|    |   | The level of faith belief in an individual serves to regulate the way PE and SI affect BI directly.   |
| 2  | Exploring The Legal Landscape of Islamic Fintech in Indonesia: A Comprehensive Analysis of Policies and Regulations                     | The improvement of the existing regulatory system requires several measures which include regulatory body collaboration with industry players and product-specific licensing systems and strengthened customer protection strategies and continuous development initiatives for Shariah-compliant financial instruments.                                    |
| 3  | The Legal Implications of Abandoned Digital Assets in Shari'ah-Compliant Fintech Platforms  | The regulatory review exposes existing weaknesses while offering solutions to stop intestacy and maintain relative wealth transfer.   |
| 4  | A Scientometrics Analysis of Publication Mapping in Sharia Economics and Finance in Indonesia and Malaysia                              | Sharia economics and finance research produced 2435 articles which were studied by 449 authors across 471 topics. The research focused heavily on Islamic banking but gave minor attention to both "Sharia economics" and "Fintech."  |
| 5  | New Resources For Islamic Finance: Islamic Fintech  | Numerous fintech applications support finance industry transformations because they adhere to Shariah principles through avoidance of riba, gharar and maysir.  |
| 6  | The Typewritten Market: Shari'ah-Compliance and Securitisation in the Law of Islamic Finance  | The study develops the concept of Typewritten Market to explain how Islamic finance represents a socio-economic system which has a 'de-materialised Šari'ah' structure where paper documents take the place of authentic social relationships.  |
| 7  | The Nexus of Crowdfunding and e-Wakaf to Islamic Fintech in Indonesia in the Era of Industrial Revolution 5.0                           | The adoption of Islamic crowdfunding procedures allows more small and medium enterprises to find alternative funding sources and e-wakaf boosts both transparency and efficiency for waqf asset management through digital solutions.   |
| 8  | Examining the Impact of Fintech and Other Factors on Banking Practices: QISMUT + 3 Countries  | The global financial crisis brought successes for Islamic Banks when compared to conventional Banks yet conventional Banks showed better results in managing credit risks. The combination of ESG and fintech indicators strongly affects how banks perform financially and how well their assets remain strong.  |
| 9  | The Impact of Financial Technology Expenditures on Attracting Deposits and Investing Funds: An Applied Study on Jordanian Islamic Banks | The financial technology investments made by Jordanian Islamic banks demonstrate substantial power in attracting deposit funds as well as fund investments.   |
| 10 | Constructing an Index for Participation Finance   | Among all participating countries in participation finance Malaysia stood as the first ranking nation followed by Indonesia and Saudi Arabia. Regulation and governance remain the highest-weighted component in participation finance while banking and nonbanking sectors and education and research along with perception and awareness follow in order. |
| 11 | Contemporary Challenges for Sharia Financial  | The operating branch of LKS faces two primary   |

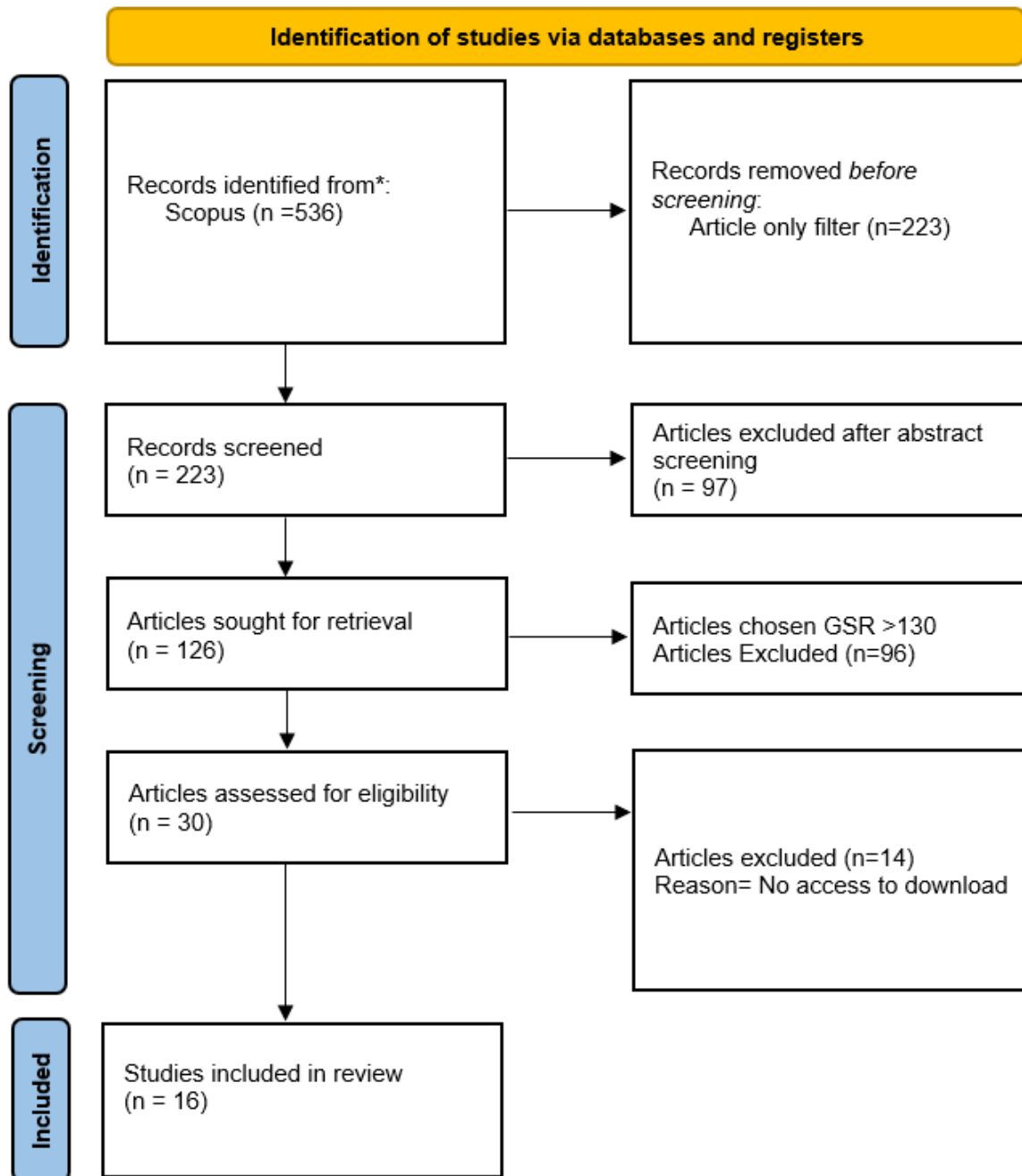
|    |   |  |
|----|---|--|
|    | Institutions to Increase Competitiveness and Product Innovation Perspective of Sharia Economic Law: Evidence in Indonesia | barriers from traditional financial companies while dealing with regulatory changes and technological disruptions of the financial industry. Sharia fintech developments along with crowdfunding play an essential part in maintaining business competitiveness.     |
| 12 | Robo-Advisor Can Play a Role in Promoting Financial Knowledge Within Society  | The investment advice provided by robo-advisors stimulates financial awareness because they serve as interactive service tools to help customers access multiple consultation methods and as basic information platforms to disseminate essential financial details. |
| 13 | Navigating the Uncharted: The Shaping of FinTech Ecosystems in Emerging Markets   | Emerging financial technology markets face barriers for development due to the need for market-based solutions and capability development in this sector that also needs to focus on underutilized financial sectors such as small markets and Islamic Finance.      |
| 14 | The Roles of Islamic Financial Technology (FINTECH) in Fostering Financial Inclusion in Malaysia                          | Through its financial inclusion plans Islamic fintech services Malaysia delivers easy access to marginalized populations thus promoting economic growth while assisting digital advancement initiatives.   |
| 15 | Fintech Innovations and Islamic Banking Performance: Post-pandemic Challenges and Opportunities                           | FinTech technologies implemented in businesses create financial stability because they open new revenue streams particularly for Sukuk documentation. Evidence shows that Islamic banking functions exceptionally well throughout the business industry sectors.     |
| 16 | Digital Payment Transactions: Islamic Finance Perspective   | The research shows that PayTech faces issues concerning contract interpretation together with issues between parties and security issues when implementing muamalat contracts. The paper presents various strategies to resolve Shariah compliance problems.         |

### 3. Research Methodology

A strategic search system guides this systematic literature review as researchers seek studies that investigate Fintech with Islamic finance. The research used a systematic structured approach to maintain unbiased collection of literature. The research methodology started by selecting academic databases then choosing proper keywords and defining required outcome criteria for the search process. Research articles were retrieved from Scopus during the period from 2010 up to 2025 through the defined method. Selection of the search database through the third-party tool Publish or Perish led to a maximum 200 result fetch per search query as the primary software restriction. The individual execution of each keyword together with its related keywords occurred before the results were merged into Microsoft Excel for further processing.

The systematic approach determines a neutral search protocol to produce validated conclusions regarding Fintech's function in Shariah-based finance. Table 1 presents the research methodology that consisted of database selection along with keywords and filtering mechanisms and screening processes that resulted in obtaining the selected studies for analysis. The search process and its corresponding movement are displayed through the PRISMA (Preferred Reporting Items for Systematic Reviews and Meta Analyses) flow diagram.

Figure No 1: PRISMA Diagram (Flow of Search Process)



The first stage involved selecting a database from Google Scholar and Science Direct or Web of Science and Scopus. The databases consisted of Google Scholar, Science Direct

and Scopus and Web of Science from which users had to choose. The institutions provided no access to Scopus or Web of Science databases. Google Scholar provided an overwhelming amount of data which could not be managed manually due to a single filter that encompassed both "review articles" as well as other undesirable content types. The software tool "Publish or Perish" allowed access to Scopus but it imposed various restrictions during data retrieval. Each keyword needed individual searching because Publish or Perish software had a single-query limit of 200 search results. The search completion for all keywords resulted in compiled results that were moved to MS-Excel for enhanced processing capabilities.

**Table No 2: Search Strategy**

| Step | Process               | Detail  |
|------|-----------------------|---|
| 1    | Choice of Database    | Scopus  |
| 2    | Selection of keywords | Fintech, Islamic Finance, Islamic Fintech, Islamic Financial Technology, Financial Technology, Islamic Finance. |
| 3    | Filters applied       | Filters for timeframe, keywords and other inclusion/exclusion criteria applied                                  |
| 4    | Initial screening     | Duplicate entries removed, and papers were screened based on titles and abstracts                               |
| 5    | Refined screening     | Screening based on methodology or relevance based on full-text evaluation.                                      |
| 6    | Citation filter       | Google Scholar Ranking > 130  |
| 7    | Included papers       | Thorough study of included papers.  |

*Source:* Author

A second screening phase followed the duplication removal procedure where articles progressed based on their titles and abstracts. Google Scholar Ranking served as the last stage in screening by applying its benchmark status to rated research to finalize the articles for final review. The systematic literature review based its inclusion and exclusion criteria on the data presented in Table 3.

**Table No 3; Inclusion/Exclusion Criteria**

| S.No | Inclusion Criteria   | Exclusion Criteria  |
|------|--|---|
| 1    | Research articles  | Review articles, conference papers, book chapters, editorials, grey literature.         |
| 2    | Database: Scopus   | Any other database than the ones included.  |
| 3    | Timeframe: 2010-2025   | Papers published before 2010.   |
| 4    | Language: English  | Papers in languages other than English.   |
| 5    | Papers discussing Fintech in the context of Islamic finance. | Papers discussing either Fintech or Islamic finance but not linking the two in any way. |
| 6    | Google Scholar Ranking > 130                                 | Google Scholar Ranking < 130  |

*Source:* Author

This SLR focuses on research articles only, therefore, all review articles, book chapters, conference papers, editorials and grey literature has been excluded. The database chosen was Scopus only. The time frame for the SLR was chosen from 2010-2025. Papers published only in English have been considered. Another very important exclusion criterion was those papers that talked about either Fintech or Islamic Finance in general, but not



linking the two in any way. The final exclusion criterion was Google Scholar Ranking above 130. All papers below this score were excluded.

### **3.1 Key Findings and Research Gaps**

The adoption of Islamic Fintech solutions depends heavily on performance expectancy and social influence together with effort expectancy according to Rasid et al. (2023). Responsible financial technology management requires stakeholders to work together on policy enforcement and regulatory framework development since Islamic Fintech lacks adequate regulatory standards (Fidhayanti et al., 2024; Omoola & Ibrahim, 2023). Digital technology exerts a strong impact on financial services through disruptive and support mechanisms for Shariah-compliant practices while having a significant influence on performance expectancy and social influence as well as effort expectancy (Demirdöğen, 2021; Kamarudin et al., 2025). Research proposals for Islamic finance and Fintech involve studying more adoption elements while broadening participant demographics and analyzing practical technological solutions (Rasid et al., 2023; Wahyudi et al., 2023).

## **4. Results and Discussion**

The adoption of Fintech increases steadily in Islamic finance particularly in Malaysian and Indonesian markets. An increasing number of businesses adopt Islamic payment gateways (Rasid et al., 2023) as well as crowdfunding platforms (Wahyudi et al., 2023) together with digital banking solutions (Rasid et al., 2023). The regulatory frameworks across different nations continue to change because they want to support Islamic Fintech. There should be improvements made to licensing frameworks and consumer protection systems in Indonesia (Fidhayanti et al., 2024).

Islamic finance adopts technological integration that combines blockchain and robo-advisors as well as digital payment systems while maintaining Shariah law compliance according to Demirdöğen (2021) and Kamarudin et al. (2025). Fintech solutions can make Islamic finance operations more efficient and transparent as reported by Rahman et al. (2023). Financial inclusion reaches underserved communities thanks to Fintech through providing them with financial services access (Mohd et al., 2024). The adoption of Fintech enables the creation of new Shariah-compliant financial products which are developed through Fintech (Demirdöğen, 2021).

The integration of Shariah compliance with complex regulatory requirements creates major hurdles for organizations (Omoola & Ibrahim 2023). Technical limitations about infrastructure platforms combined with specialized skills act as obstacles that prevent Fintech adoption according to Ajouz et al. (2023). The base factor for digital financial services success in emerging markets depends on high consumer trust (Ajouz et al., 2023). Through Islamic crowdfunding and digital payments small and medium enterprises (SMEs) obtain new funding alternatives (Wahyudi et al., 2023).

The expansion of financial services happens through fintech solutions because they provide services to banking-disconnected populations as well as underrepresented groups while enhancing their economic power (Mohd et al., 2024). The combination of robo-advisors and digital tools functions as educational instruments which aid consumer financial

expertise development according to Kamarudin et al. (2025). Local trust-based initiatives hold many development opportunities for Islamic Fintech solutions in emerging market sectors (Ajouz et al., 2023). Startup growth requires Fintech firms to team up with regular banks while always developing innovative solutions (Demirdöğen, 2021). Better regulatory systems and welcoming innovation policies should work together to support Islamic Fintech growth (Fidhayanti et al., 2024).

## **5. Conclusion**

The fusion of Fintech with Islamic finance brings significant business opportunities to enhance financial accessibility and operational performance and new financial product development. accessibility together with operational performance improvements and new financial product development. Islamic finance will gain advantages from Fintech capabilities because they create Shariah-compliant financial solutions provide service to consumers who belong to different demographic sections. sections. Several problems require solutions for the potential to fully develop. The expansion of Islamic Fintech needs regulatory systems that can reach standardization capabilities. Technological progress depends on the collaborative efforts between Shariah compatibility maintenance and the advancement of Islamic finance. Penetrating both market consciousness and public trust becomes necessary because it determines how Fintech solutions will spread across consumers and lead to financial inclusion. The study of Fintech technologies in Islamic finance needs more investigation by researchers who must analyze geographical demographics and practical technology implementation over time. Research focused on these areas enables practitioners and researchers to establish a fully developed inclusive Islamic Fintech ecosystem which serves both consumers and institutions.

### **5.1 Limitations and Future Research Directions**

The reviewed studies mainly focused their research on Malaysia and Indonesia, yet their single-case approach limits universal application of their findings outside specific regulatory as well as cultural settings (Rasid et al., 2023; Wahyudi et al., 2023). States throughout the world encounter continuous barriers when applying Fintech solutions to Islamic banking because their regulatory frameworks continue changing. Standardized regulations are necessary for Fintech solution applications because differences in application occur across various jurisdictions according to the literature by Fidhayanti et al. (2024) and Omoola & Ibrahim (2023).

The promotion of Fintech solutions in Islamic finance faces major hurdles because researchers find that sufficient technological infrastructure requires expert knowledge. The basic issue slows down technological advancement in emerging markets (Ajouz et al., 2023). Digital financial customers need to establish trust in system-based products while operating in traditional banking regions. Research indicates customers have limited trust in Fintech services regardless of rising Fintech solution acceptance (Ajouz et al., 2023).

The science of Islamic finance must extend beyond current boundaries into various geographic zones and demographic communities to enhance the general usefulness of evaluated findings. Rasid et al. (2023) state that research design should consist of institutional



arrangement assessments conducted across different countries and regions. Longitudinal research provides scientists with the ability to study how Fintech adoption in Islamic finance impacts sustained operations allowing scientists to identify both long-term procedures and challenges during implementation. Cross-sectional research fails to observe hidden patterns along with distinct tendencies which analysis methods uncover (Rasid et al., 2023). More scientific inquiry is crucial to understand how different regulatory policies impact the integration of Fintech systems in Islamic finance. The research should conduct case studies to assess effective regulatory practices along with identifying areas for improvement in countries that implement diverse regulatory standards according to Fidhayanti et al. (2024). Research is needed to evaluate the actual deployment of blockchain technology and artificial intelligence and robo-advisors in Islamic finance because this information will identify their operational advantages for financial inclusion and business operations management (Demirdöğen 2021, Kamarudin et al. 2025). The research field needs to analyze how customers respond to Fintech solutions together with their trust building processes. Research through surveys and interviews of consumers should determine the adoption factors for digital financial services (Ajouz et al., 2023).

## 6. References

- Abdullah, F. D., Witro, D., Makka, M. M., Is, M. S., & Wiwaha, S. M. (2024). Contemporary Challenges for Sharia Financial Institutions to Increase Competitiveness and Product Innovation Perspective of Sharia Economic Law: Evidence in Indonesia. *MILRev: Metro Islamic Law Review*, 3(2), 141-173.
- Ajouz, M., Abuamria, F., Al Zeer, I., Salahat, M., Shehadeh, M., Binsaddig, R., ... & Al-Ramahi, N. M. (2023). Navigating the Uncharted: The Shaping of FinTech Ecosystems in Emerging Markets. *Cuadernos de Economía*, 46(132), 189-201.
- Alali, S. M., Alzoubi, A. A., AbuAlhoul, M. A., & Shawaqfeh, G. (2024). The Impact of Financial Technology Expenditures on Attracting Deposits and Investing Funds: An Applied Study on Jordanian Islamic Banks. *Revista De Gestão Social E Ambiental*, 18(9), e06091-e06091.
- Cattelan, V. (2020). The Typewritten Market: Shari'ah-Compliance and Securitisation in the Law of Islamic Finance. *Arab Law Quarterly*, 35(1-2), 74-91.
- Demirdöğen, Y. (2021). New Resources for Islamic Finance: Islamic Fintech. *Hitit İlahiyat Dergisi*, 20(3), 29-56.
- Fidhayanti, D., Noh, M. S. M., Ramadhita, R., & Bachri, S. (2024). Exploring The Legal Landscape of Islamic Fintech in Indonesia: A Comprehensive Analysis of Policies and Regulations. *F1000Research*, 13.
- Kamarudin, N. S., Hadi, N. A., Ahmad, A., Mohd, A. J. C., Hashim, A. F. N. R., Hishamudin, M. Z., & Dzolkarnaini, N. Robo-Advisor Can Play a Role in Promoting Financial Knowledge Within Society.
- Malik, M., & Shahzad, I. (2025). Digital Disruption in Islamic Finance: A Comparative Study of FinTech in Islamic and Conventional Financial Systems (2020–2025). *Journal of Accounting and Finance in Emerging Economies*, 11(1), 49-56.

- Maryam, S., Alfida, A., & Rianti, F. (2023). A Scientometrics Analysis of Publication Mapping in Sharia Economics and Finance in Indonesia and Malaysia. *International Journal of Information Science and Management (IJISM)*, 21(2), 1-18.
- Mohd, N. A., Razali, M., Yahaya, M. H., & Baharuddin, Z. N. (2024). The roles of Islamic financial technology (FINTECH) in fostering financial inclusion in Malaysia. *Management & Accounting Review (MAR)*, 23(1), 329-356.
- Muhibban, M., & Hasan, N. (2025). Sharia Fintech Innovation: Opportunities and Challenges in the Era of Economic Digitalization. *RAFAHIYA Journal of Islamic Economics*, 1(1), 22-27.
- Omoola, S., & Ibrahim, H. K. (2023). The Legal Implications of Abandoned Digital Assets in Shari'ah-Compliant Fintech Platforms. *ISRA International Journal of Islamic Finance*, 15(2), 60-76.
- Rahman, A. A. A., Rahiman, H. U., Meero, A., & Amin, A. R. (2023). Fintech innovations and Islamic banking performance: post-pandemic challenges and opportunities. *Banks and Bank Systems*, 18(4), 281.
- Rasida, A. M. M., Bakria, M. H., Mello, G., Ismaila, A. F. M. F., & Razak, M. I. M. (2023). Measurement and structural modelling on factors of Islamic payment gateway system among millennial generation in Malaysia. *Global Business & Finance Review (GBFR)*, 28(6), 72-94.
- Serkbayeva, Z., Zhumabayeva, M., Kassenova, G., Karimbayeva, G., Faizulayev, A., & Kulumbetova, D. (2024). Examining the impact of fintech and other factors on banking practices: QISMUT+ 3 countries. *Cogent Business & Management*, 11(1), 2385069.
- Shuib, M. S., Abd Muin, M. A., Nor, M. N. M., Ishak, S., Mohamad, M. T., Mansor, N. H., ... & Assrudin, W. A. W. M. (2023). Digital Payment Transactions: Islamic Finance Perspective. *Journal of Advanced Research in Applied Sciences and Engineering Technology*, 36(2), 12-20.
- Taufik Syamlan, Y., Wahyuni, S., Heruwasto, I., & Hamsal, M. (2025). Exploring sharia compliance parameters in marketing to foster innovation and collaboration within Islamic finance. *Journal of Islamic Marketing*.
- Wahyudi, H., Tubarat, C. P. T., Rodliyah, N., Kusnadi, A., & Leny, S. M. (2025). The Nexus of Crowdfunding and e-Wakaf to Islamic Fintech in Indonesia in the Era of Industrial Revolution 5.0. *Journal of Ecohumanism*, 4(1), 208-219.
- Yüksel, S., Kalyoncu, G., & Özdurak, C. (2023). Constructing an index for participation finance. *Borsa Istanbul Review*, 23(4), 895-905.