



THE DISRUPTION OF FINANCIAL TECHNOLOGY AND APPLICATIONS

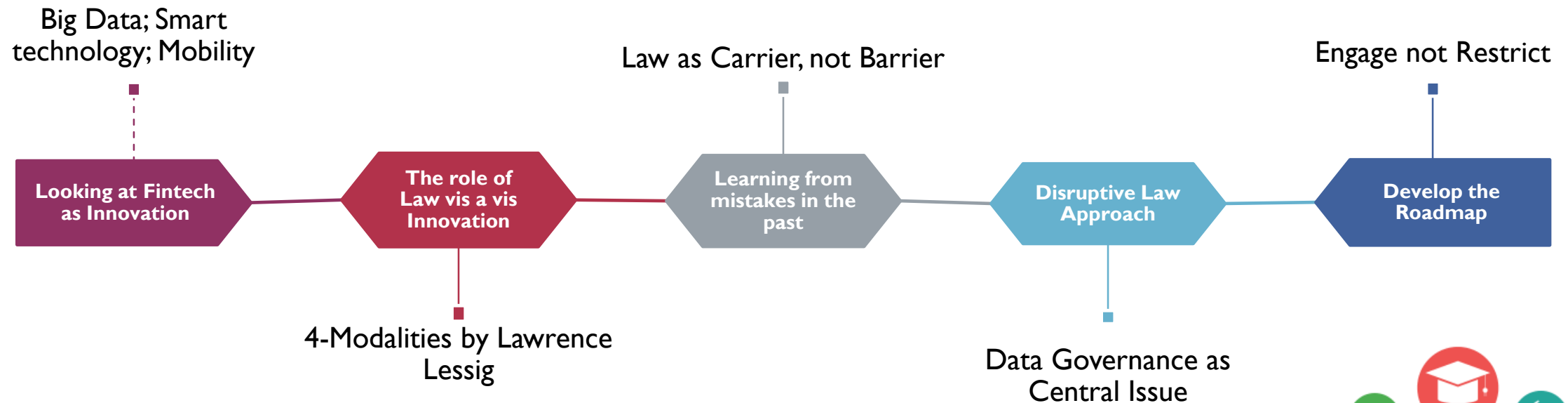
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OUR LITTLE FINTECH JOURNEY TODAY



WHAT MAKES A FINTECH

Flavors of Fintech

The fintech label applies broadly to financial-services companies using the internet, mobile phones and the cloud, including:



Peer-to-peer lenders

Funding Circle and LendingClub are examples of these nonbank lenders. They match borrowers with investors and shorten approval times to hours.



Crowdfunding

Indiegogo and GoFundMe raise small amounts of money from large numbers of people. They help charities and entrepreneurs.



Blockchain and Bitcoin

Exchanges and banks are developing applications using blockchain, the free database that processes Bitcoin transactions.



Robo-advising

Giant BlackRock Inc. and new firms such as Scalable Capital Ltd. use algorithms to adjust portfolios in line with a customer's risk preferences.



Mobile payments

Millions of people without bank accounts can now transfer money from their mobile phones. Some services convert currencies for less than banks charge.



Insurance

Traditional companies are investing in so-called insurtech startups, which claim to cut the time it takes to buy life insurance to minutes from weeks.



WHAT MAKES A FINTECH



Synchronised (data, gadget, marketplace)



Man-machine synergy



AI / Analytics (Big data)



Revolutionary-Efficiency



Targeted/Customised



WHAT MAKES A FINTECH

- Fintech: **FINANCE + TECHNOLOGY**

The use of technology for a variety of financial services and products

- **An innovation in the making**

- Innovation on worldly affairs in order to attain the pleasure of Allah SWT is encouraged in Islam
- Qur'an Chapter 55:33 – “O company of jinn and mankind, if you are able to pass beyond the regions of the heavens and the earth, then pass. You will not pass except by authority [from Allah].”

- **Comes with Pros and Cons**

- Utility: Towards efficiency, inclusiveness and increased transparency
- Risks: In term of Data security, Data privacy and Issues of consumer protection

“Innovation is the ability to see change as an **opportunity** - not a **threat**”
(Steve Jobs)



WHAT CHANGES: FINANCIAL SERVICES & DIGITISATION

- With the financial industry moving towards digitisation, new dimensions of risk management have emerged.
 - Datafication: Tendency to record not only the critical data, but also everything else.
 - More gadget, more potential security breaches
 - Same thief, new method!
 - CIA of data security: Managing the confidentiality, integrity and availability of data
 - Legal risks surrounding data : From reputation to financial detriments

“Datafication” – the process of quantifying all information around us: our location, movement, communications, usage of devices, etc. which will allow us to use such information in new ways, such as in predictive analysis. This will help us further to unlock the implicit, latent value of the information.

V. Mayer-Schonberger and K. Cukier (2013)
Big Data: A Revolution That Will Transform
How We Live, Work and Think.



OUR “FINTECH” NEWS TODAY



fintech



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lalu

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WHAT REMAINS: THE NEED FOR FINANCIAL INTEGRITY AND CONSUMER PROTECTION

Financial inclusion

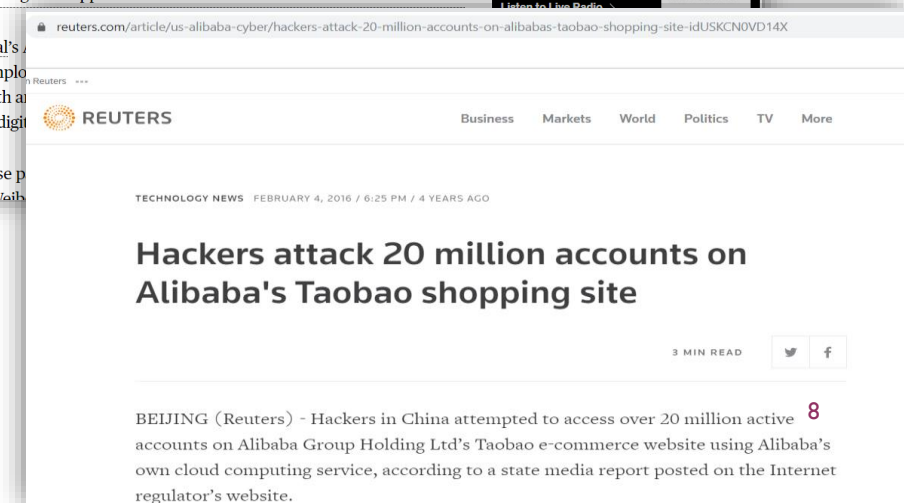
- Accessibility for all
- Affordability
- Technological adoption and adaptation

Financial integrity

- Security of transaction
- Security of data
- Security of financial system

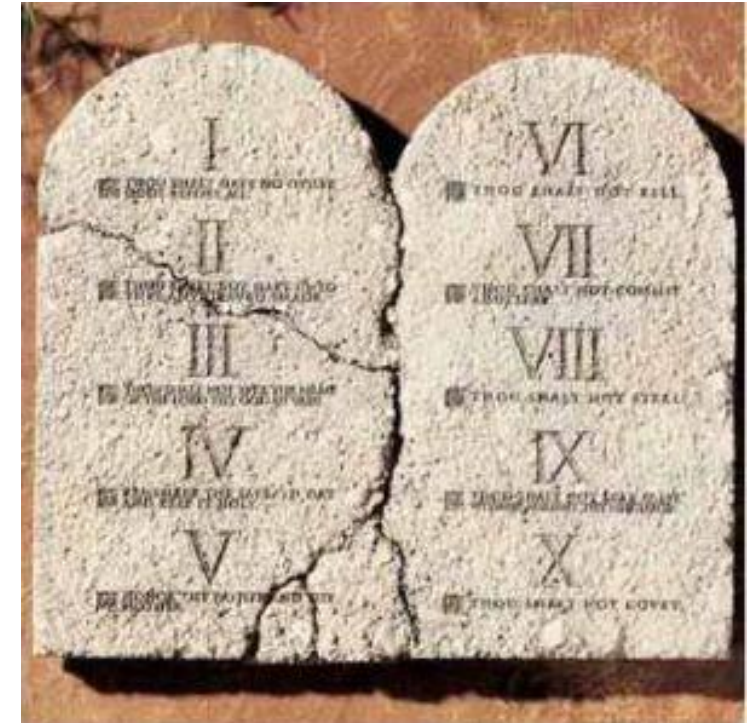
Consumer protection

- Fraudsters
- Industrial exploit
- Right to privacy
- Public security, social stability, economic resilience



WHAT REGULATORS SHOULD DO IN THE FACE OF INNOVATION

- “Law” is not rules written on stone
 - The law shall reflect the societal development
 - Creates certainty in business
 - Set up a correct expectation of social behaviour
 - Rectify the wrongs in society
 - Balances private and public objectives
- Innovation is disruptive in nature
 - A disruptive law is necessary



TAKING A DISRUPTIVE APPROACH: DISRUPTING THE DISRUPTIVES

- Instead of writing a strict rule of the game in the form of law and regulation, it is necessary to look for a rather flexible approach. Follow these steps:
 - Innovation does not work in legal vacuum: Define the existing legal framework that may help OR that may NOT help
 - Regtech must be responsive to technologies while remaining technology-neutral!
- Learn from Mistakes in the past: E-Hailing service, Cryptocurrency, OTT, e-Shop, e-News
- Consider all stakeholders (Multi-stakeholdersim)
- Start with trust!
 - In Malaysia, the Fintech Regulatory Sandbox (Sandbox) 2016 plays an important role in enabling the financial innovation can survive and sustain efficiently in a live environment. It also allows for a more targeted and efficient testing approach for high-impact innovations.
- Consider all modalities on regulations at all time!

FINTECH DOES NOT PLAY IN LEGAL VACUUM

Capital Markets
and Services
Act 2007

Financial
Services Act
2013

Central Bank of
Malaysia Act
2009

Penal Code

Personal Data
Protection Act
2010

Capital Markets and
Services (Prescription of
Securities) (Digital
Currency and Digital
Token) Order 2019

Islamic Financial
Services Act 2013

Credit Reporting
Agencies Act 2010

Anti-Money Laundering,
Anti-Terrorism
Financing and Proceeds
of Unlawful Activities
Act 2001

Communications and
Multimedia Act 1998

Guidelines on
Recognized Markets SC-
GL/6-2015(R3-2019)

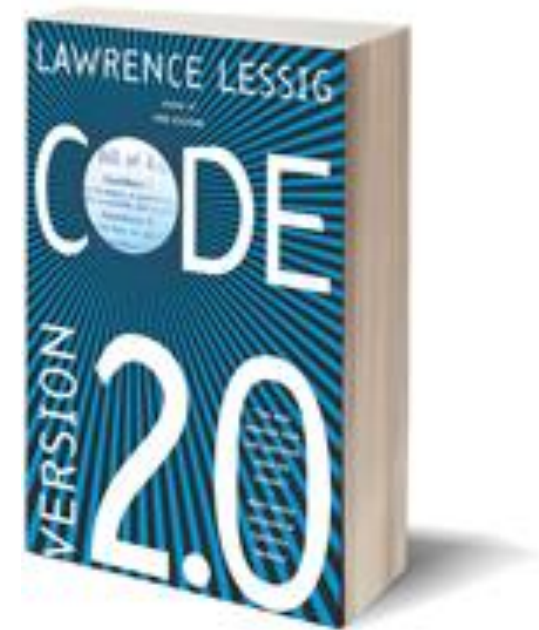
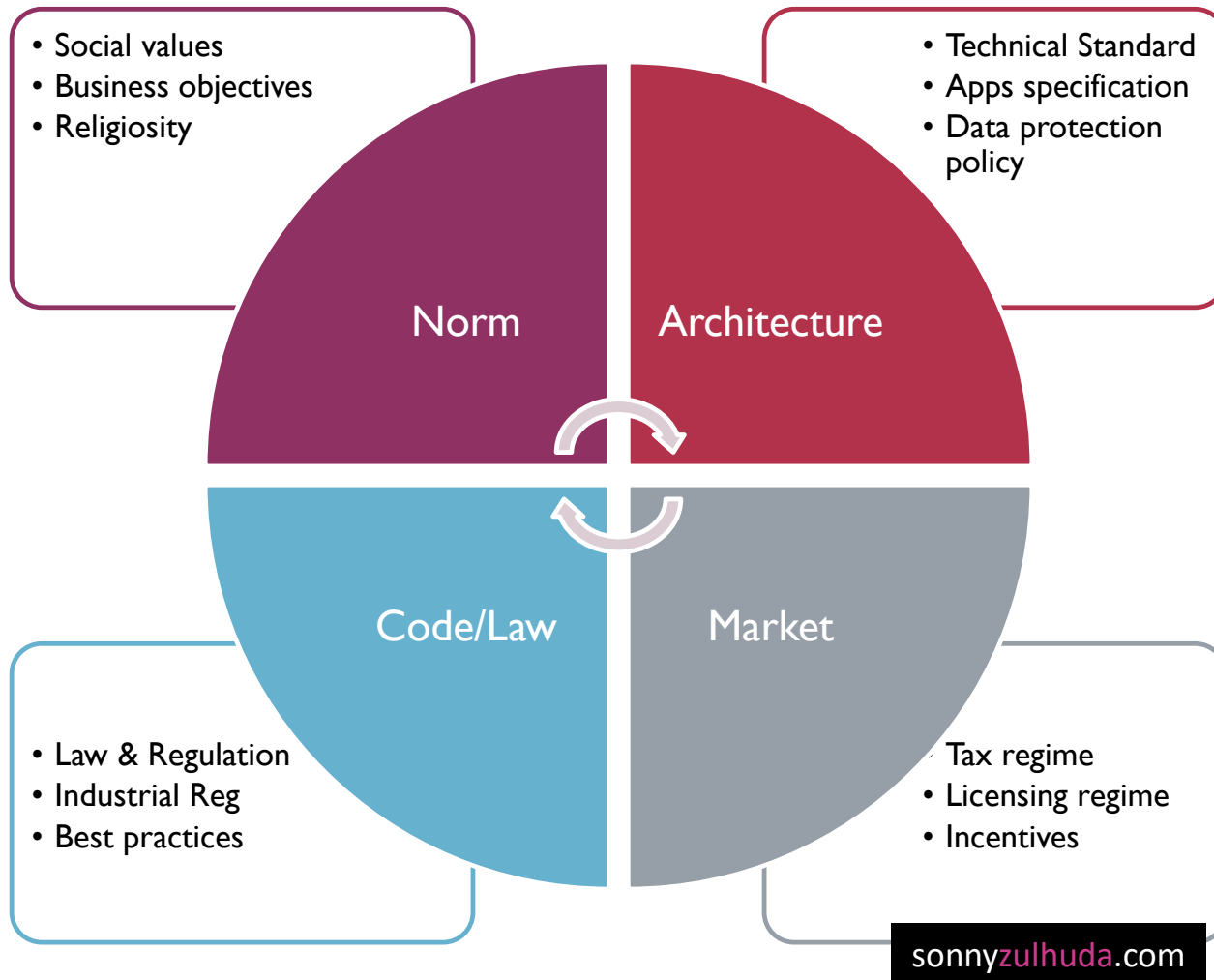
SME Tax Incentives by
Craddle Fund, MDEC,
etc

**BNM Fintech
Regulatory
Sandbox 2016**

Computer Crimes Act
1997

Electronic Commerce
Act 2006

LESSIGS' 4-MODALITIES APPROACH IN REGULATING FINTECH



THE BLINDSPOTS ON FINTECH: DATA GOVERNANCE

Fintech risks as blindspot: You know it's there, but you don't see it. It does not improve unless you make adjustment.

Blindspot #1: When too much is not good (data obesity)

Blindspot #2: Is it your data? Who's the owner?

Blindspot #3: Delegate the task, not the responsibility

Blindspot #4: Trust being abused



Lindungi Data Pribadi!

JAKARTA — Pemerintah dinilai perlu segera membuat regulasi perlindungan data pribadi setelah kasus jual beli data nasabah masih marak terjadi di masyarakat. Sementara itu, masyarakat juga diharapkan mendapatkan edukasi terkait dengan data privasi ini.

Juli Etha Masruly, Agnes Wika Damayanti,
& Arief Winanto
redaksi@sonnyzuhluda.com

Direktur Eksekutif Indonesia ICT Institute Heru Sutadi mengatakan sesuai dengan peraturan yang berlaku seperti di bank, data pribadi tidak boleh diperjualbelikan atau diberikan kepada pihak lain tanpa persetujuan orang yang bersangkutan.

Namun, dia tidak menampik masih terdapat kelemahan dari sisi praktiknya terutama dari kesadaran masyarakat yang masih rendah dan ketiadaan regulasi yang kuat dan tegas.

Bagi Heru, masyarakat perlu terus diberikan edukasi dengan baik terkait dengan pemberian data pribadi terutama pada era digital ini. Selain itu, dia menekankan pentingnya definisi dan kategorisasi data pribadi utama seperti sidik jari, iris mata dan lainnya, yang harus dilindungi oleh hukum.

Dia menilai praktik pengumpulan data oleh beberapa bank untuk layanan tertentu harus diperketat.

"Saya pikir ini juga bukan tugas Kominfo saja melainkan dari perbankan juga harus tegas, tidak boleh mengambil data seperti itu atau disampaikan ke yang lain. Perlu diberi edukasi dan diberi ketegasan," ujar Heru.

Di sisi lain, data YLKI mengerilisikan aduan masyarakat terkait dengan penawaran produk perbankan lewat saluran telepon menempati peringkat teratas, diikuti permasalahan penyalahgunaan rekening.

Selanjutnya, Ketua Bidang Hukum dan Pengaduan Yayasan Lembaga Konsumen Indonesia (YLKI) menyatakan pada era digital seperti sekarang, konsumen sangat mudah melakukan transaksi. Namun, faktor proteksi masih menjadi kekhawatiran bersama.

"Ketika konsumen memberikan data kepada perbankan atau marketing, sebenarnya sudah ada unsur kepercayaan di sana. Maka akan disalahgunakan ketika jika data malah diperjual-belikan," tuturnya, Rabu (23/8).

Dalam catatan YLKI, aduan mengenai penawaran kartu kredit dan asuransi lewat telemarketing menempati posisi teratas, selanjutnya pemrosesan penyalahgunaan rekening maupun transaksi fiktif.

Selanjutnya, dengan tingginya aduan penawaran produk lewat saluran telepon, Otoritas Jasa Keuangan membuat aturan mengenai semua penawaran produk finansial lewat telemarketing.

"Ada [pihak] marketing yang menawarkan kredit atau kartu kredit di bank 'A' ternyata produknya ada di bank 'B'. Padahal, lewat saluran telepon konsumen tidak berada pada posisi siap untuk diberi

penawaran," katanya.

YLKI pun ikut menyemalkan praktik jual-beli data konsumen, yang belakangan aktivitas tersebut diungkap oleh Direktorat Tindak Pidana Ekonomi dan Khusus Bareskrim Polri, yang telah menangkap jaringan penjualan data nasabah.

Tersangka pelaku menjual data nasabah melalui internet secara paket, mulai dari Rp350.000 hingga jutaan rupiah. Berdasarkan hasil penyelidikan sementara, tersangka menggarapikan data nasabah dari bagian pemasaran sejumlah bank sejak 2010.

Direktur Tindak Pidana Ekonomi Khusus Brigjen Pol. Agung Setya, seperti dikutip dari laman resmi terbit, Rabu (23/8), menyebutkan tersangka mulai mengkloning penjualan data nasabah sejak 2014 melalui beberapa situs internet, akan Facebook dengan nama "Rang haji Ahmad", dan akan pada situs penjualan online.

Tersangka menjual harga bervariasi untuk paket data nomor telepon nasabah mulai dari Rp150.000 untuk 1.000 nomor nasabah hingga Rp1,1 juta untuk paket data berisi 100.000 nasabah.

TIDAK TOLERAN

Sementara itu, para bankir menilai industri perbankan tidak toleran adanya penjualan data nasabah.

Direktur PT Bank Rakyat Indonesia (Persero) Tbk. Randi Anto menyebutkan manajemen punya *code of conduct* yang dapat mencegah terjadinya pencurian data ataupun penggunaan data yang tidak sesuai dengan ketentuan.

"Sistem pengawasan akan menjangkau seluruhnya ada pekerja yang melanggar ketentuan," katanya.

Sejumlah Aturan Mengenai Perlindungan Data Nasabah/Konsumen

1. UU No. 43 Tahun 2009 tentang Keanekaragaman
2. UU No. 10 Tahun 1998 tentang Perubahan atas UU No. 7 Tahun 1992 tentang Perbankan
3. Surat Edaran Bank Indonesia Nomor 16/16/DPK/SP Tahun 2014 tentang Tata Cara Pelaksanaan Perlindungan Konsumen Jasa Sistem Pembayaran
4. Surat Edaran Otoritas Jasa Keuangan Nomor 14/SE/OJK/07/2014 Tahun 2014 tentang Kewajiban dan Keanekaragaman Data dan Informasi Pribadi Konsumen
5. POJK Nomor 1/POJK/07/2013 tentang Perlindungan Konsumen Sektor Jasa Keuangan
6. Peraturan Bank Indonesia Nomor 16/16/DPK/SP Tahun 2014 tentang Perlindungan Konsumen Jasa Sistem Pembayaran
7. Peraturan Bank Indonesia Nomor 7/16/DPK/SP Tahun 2014 tentang Transparansi Informasi Produk Bank dan Penggunaan Data Pribadi Nasabah
8. Peraturan Bank Indonesia Nomor 2/16/DPK/SP Tahun 2014 tentang Rencana dan Tata Cara Pembinaan Perilaku atau lain Tertentu Membuka Risiko Bank
9. Rancangan Peraturan Menteri Komunikasi dan Informatika tentang Perlindungan Data Pribadi dalam Sistem Elektronik*
10. Rancangan UU Perlindungan Data Pribadi*

* Masih berupa draft di kementerian/lembaga

Perkembangan Jumlah Kartu Kredit dan Nominal Transaksi Periode Juli 2013 - Juli 2017

Uraian	2013	2014	2015	2016	2017
Jumlah Kartu (per juta kartu)	14,76	15,55	16,65	16,99	16,85
Nominal Nilai (Rp. triliun)	127,66	142,35	161,82	161,26	170,9

Sumber: Bank Indonesia, Bank Indonesia, 2017

PERKEMBANGAN (BANK INDONESIA)

Direktur PT Bank Central Asia Tbk. Santoso Lian menegaskan perusahaan pun akan bertindak sangat tegas terkait dengan adanya oknum nakal yang berani melakukan jual-beli data nasabah.

Santoso menyatakan proses penjualan kartu kredit, baik melalui telemarketing dan direct marketing, memiliki standar operasional dan ketentuan baku dengan

sistem pengawasan yang ketat dari manajemen.

Adapun, General Manager Asosiasi Kartu Kredit Indonesia (AKKI) Steve Martha mengatakan pihaknya masih mendalami lebih lanjut kasus tersebut. Namun, pada akhirnya aksi jual beli data ini tidak dilewatkan. (Surya Manu/Bank Indonesia)



over the Auditor-General's Office (AGOS) report on the troubled ac-

The firm gives a run-down of the most significant findings against

and services (SBS), and notes, in bold lettering, that FMS was "set

vice, carry their own work, and pay themselves, with little checks."

tion. The WP also acknowledged laps-

3E exchange@spg.com.sg

Is that your NAME, ADDRESS, PHONE NUMBER in the dump?

Firms throw out documents with personal data without shredding

Grace Chong
Senior Correspondent

Personal information is still being improperly collected, used and disposed of, even though there is a new law to protect personal data.

Security organisations - especially in retail, healthcare and finance - are under investigation for complaints that they have addresses and other personal information for marketing.

Discarded identity card details without shredding.

Among other things, The Sunday Times found photocopies of passports, resumes of various professionals and details of commissions paid to property agents.

Most of the documents had the names and logos of local and foreign banks and other companies, and they included reports on industrial projects in Japan and Indonesia and project progress reports.

All were marked confidential or strictly confidential.

There were also printouts of e-mail with addresses, names and telephone numbers. The documents were dated from 2013 to this year.

Access to the rubbish bins was easy. One katering gunt man, who was seen sorting out the documents into metal piles, said he would sell them to recycling companies.

Corporate information does not come under the purview of the commission, which is concerned



A recent check in the Raffles Place area found that documents containing personal data are being thrown out in the photocopies of passports, resumes of various professionals and details of commissions paid to property agents in the

TIPS ON DATA PROTECTION

Personal data protection specialist Straits Interactive has conducted audits of 50 companies to check if they are ready to comply with the new Act.

It came up with this checklist after finding five common areas of weakness.

■ **DO** use a shredder or a document disposal service to dispose of documents containing personal data.

■ **DO NOT** throw away or recycle paper with personal data.

■ **DO** keep all documents with personal information in

■ **DO** put up reminders at copiers, fax machines or printers telling users to take all personal documents when they are done.

■ **DO NOT** leave behind passports, identity cards, resumes and other confidential information at these machines.

■ **DO** record and track who has access to keys to cabinets and drawers where confidential files are kept.

■ **DO NOT** leave keys hanging in keyholes.

■ **DO** ensure that screen savers



Documents discarded without shredding.



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Round-Up

Bahaya Fintech Ilegal Sebar Data Personal

Tim detikcom - detikNews



0 Komentar

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New Norm in Data Governance



RESETTING DATA CULTURE

Information society requires a resetting of ethical and cultural adjustment towards data



DATA DUE DILIGENCE

Data is viewed as assets that have to be managed and protected within appropriate measurable steps



NEW OFFENCES

Restrictions are introduced to reshape the new expected behaviour on data



sonnyzulhuda.com



FULL DATA LIFECYCLE

PDP deals with the full processing from collection to disposal. Confidentiality or security is only a component of it.



DATA STAKEHOLDERS

Data is not “owned” by the data user. Individuals’ rights are involved.



DATA ACCOUNTABILITY OVER SOVEREIGNTY

While it is important to preserve data sovereignty, data accountability is the priority

Prinsip Perlindungan Data di RUU PDP– Pasal 17(2): Pemrosesan Data Pribadi dilakukan:

- a. **secara** terbatas dan spesifik, **sah secara hukum**, patut, dan **transparan**.
- b. **sesuai dengan tujuannya**;
- c. dengan **menjamin hak Pemilik Data Pribadi**;
- d. secara **akurat, lengkap**, tidak menyesatkan, mutakhir, dan dapat dipertanggungjawabkan;
- e. dengan melindungi **keamanan** Data Pribadi dari pengaksesan, pengungkapan, dan perubahan yang tidak sah, juga dari penyalahgunaan, kerusakan, dan/atau kehilangan Data Pribadi;
- f. dengan memberitahukan **tujuan dan aktivitas pemrosesan, serta kegagalan** perlindungan Data Pribadi;
- g. Data Pribadi **dimusnahkan dan/atau dihapus** setelah masa retensi berakhir atau berdasarkan permintaan Pemilik Data Pribadi; dan
- h. secara **bertanggung jawab** dengan memenuhi pelaksanaan prinsip perlindungan Data Pribadi

CONCLUDING REMARKS

- Innovation shall remain sustainable: Fintech today, more tomorrow!
- In anticipating the Internet, AI and blockchain technology, Law needs to be disruptive, leaving its traditional limitations as much as possible
- In the backbone of the innovation is DATA including trade secrets, IPR and personal data. These areas cannot be let without rules of the game.
- With so much data and interest at stake on Fintech, **Trust Governance** is another critical prerequisite.
- For this Trust and Data Governance to work in such a complicated structure, government intervention is critical in providing the best legal and regulatory framework for Fintech.





THANK YOU

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