Literature Study: Development Of Fintech Technology

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ABSTRACT

The development of the industrial world is moving very fast where we can feel one of the changes in the lifestyle of people who use a lot of information technology such as doing the online economy. known as Financial Technology (fintech). Of course, with these developments, of course, there is a threat to the security of personal data. This study aims to determine the use of Fintech Technology (Fintech) in the current era. The purpose of this research is to provide an overview of the development of Financial Technology in the current era, even though there are many obstacles. This research method uses qualitative methods. The results of this study illustrate the growing development of financial technology.

1. Introduction

The development of this world industry moves very fast and its impact can even be felt in daily activities. At this stage of the Industrial Revolution 4.9 there was a combination of machines and computerized systems which were then driven by an online system. One of the impacts of this industrial revolution is changes in the lifestyle of people who use information technology a lot, such as conducting economic transactions online. Financial Technology (Fintech) is a term that describes various innovations in the financial sector (Saputra, 2019). The fintech industry claims to have shown good development throughout 2017. This is supported by regulations that provide more certainty for the industry to a better level of financial literacy (Kompas.com, 2018).

Fintech to non-bank financial institutions provides loans to technology-based consumers by providing convenience (Rizal, 2018). The benefits of fintech for the community are carried out such as providing services in the field of investment, insurance services, financing / loans, and so on. In addition, the benefits of fintech also improve a country's economy in accelerating the circulation of money. The rapid growth of fintech companies is because they offer a variety of financial services that really help the community in running the economy more effectively and efficiently, especially in the financial sector. However, in practice it turns out to have potential risks, namely security and consumer risks and the risk of transaction errors (OJK, 2017). These two risks will then bring losses to each party in the fintech business. The emergence of online crimes such as wiretapping, burglary, and cybercrime in banking financial transactions makes people hesitate to do online transactions.

The biggest challenge for humans posed by information technology is the privacy aspect (Budhijanto, 2019). Fintech makes it easy for people to borrow money quickly, simply by downloading an application and then entering their personal data and required documents. However, this has a negative impact, namely the spread of personal data when in fact requests for consumer personal data are needed for data verification.

Protection of privacy and personal data in theory actually has a different meaning and scope because privacy has a more abstract and broader meaning and context, namely non-interference, limited access.) Accessibility or control over personal information (information control). Personal data includes protection in particular about how the law protects, how personal data is collected, bound, stored, exploited and disseminated (Rosadi, 2015). The main objective of this journal is to provide an overview of the development of Financial Technology in the current era despite many obstacles.

2. Method

This research is a qualitative research, where qualitative research explains narratively the activities carried out and explains the impact of actions that occur in real life or phenomena that occur. The approach in this study uses a literature review approach, the choice of this approach is motivated by the research objectives which intend to explore the interrelationships of Financial Technology. The purpose of the literature review is to make it easier for researchers to identify gaps that occur between a theory and the relevance of reality to research results (Bettany in Cahyono et al., 2019).

The data source used is secondary data obtained from previous research journals, books, and sources related to this research. The data presented here are relevant previous journals related to the research discussion. Researchers obtained journals from websites that provide Indonesian scientific journals and international journals. Research data analysis consists of three stages, namely data reduction, data presentation, and conclusion of research results (Miles et al, 2014).

3. Results and Discussion

Table 1. Literature Review Results

Journal	**Journal Identity**	
(1)	Title	Integrating Bank Size, Liquidity, And Financial Performance Into Moderating Financial Technology: A Case Study Of Sharia Commercial Banks In Indonesia
	Journal	Journal Of Applied Management (JAM)
	Journal Index	Sinta
	Volumes And Pages	Volume 20, Number 4
	Year	2022
	Writer	Sri Hermuningsih, Anisya Dewi Rahmawati
	Access Date	December 2022
	ISSN	1693-5241
	Link	DOI: Http://Dx.Doi.Org/10.21776/Ub.Jam.2022.020. 04.15
	Conclusion	The results of data analysis and discussion show that the size of Islamic Commercial Banks has a positive effect on business achievement, which indicates that bank size affects its total assets. The bank's ability to carry out more diverse operational operations with high income potential is made possible by having a solid asset base, which will have an impact on the bank's ability to generate high profits. Liquidity supports financial performance, indicating that it is easier to maintain public trust in Islamic Commercial Banks with liquidity capacity. For this reason, liquid-ACCREDITED Islamic Commercial Banks Ministry of Research and Technology of the Republic of Indonesia, No 200/M/KPT/2020 ISSN: 1693-5241 947 Integrating Bank Size, Liquidity, and Financial Performance in Moderation of Financial

		Technology: . .. ity seeks to maintain liquidity ratios by reducing idle funds and generating income with the least risk. Fintech can reduce the negative financial performance effect of bank size. This result is due to the fact that due to the high penetration rate of the Fintech market, all current clients of Islamic Commercial Banks have access to its resources. Larger Islamic commercial banks may offer options to adopt financial technology to improve financial performance and generate profits. Fintech has other ways to make money besides raising interest rates. However, these other sources of income are not enough to offset the costs involved, and most users have taken advantage of this option. Fintech can be used to reduce the influence of liquidity on financial performance. The use of Fintech by Islamic Commercial Banks enables the public to trade more easily, encourages individuals to save at Islamic Commercial Banks and increases liquidity, which improves the business performance of Islamic Commercial Banks. The results of this study can be used as a reference to assist Islamic commercial banks to be better in their daily operations throughout Indonesia, enabling equal distribution of banking performance and maintaining Indonesia's financial stability.
(2)	Title	Initiating Financial Technology (Fintech) As An Innovation Of Communication Technology On Credit Cooperatives In Indonesia
	Journal	European Journal Of Marketing And Economics
	Journal Index	Sinta
	Volumes And Pages	Vol. 8
	Year	2022
	Writer	Sugiyanto, Wawan Passed Setiawan
	Access Date	01-01-2022
	ISSN	2601-8659
	Link	https://Doi.Org/10.26417/689dma84
	Conclusion	From this study it can be concluded that: (1) Fintech business practices, especially P2PL platforms in Indonesia, still face many obstacles and risks, ranging from the rise of illegal business practices, misuse of customer data, customer intimidation, fraud, defaults, and high interest rates. (2) The application of fintech as an innovation has the feasibility of innovation to be applied to cooperatives in Indonesia. (3) Cooperatives can become a P2PL Platform model, as an alternative business model by converting a conventional savings and loan business into a P2PL platform. This model can be a solution to various problems in the implementation of fintech in Indonesian society. With a record of cooperative values and principles being carried out consistently. Likewise with the consistency of the implementation of member functions in participating both as users and as owners. As users, members can function as lenders/investors and other members can function as borrowers to finance their businesses. (4) The policy implication of the findings of this study is that the P2PL fintech platform model can be developed for savings and loan cooperatives in Indonesia, both in rural and urban areas.
(3)	Title	Impact Of Perceived Benefits, Security, And Privacy On Interest In Using E-Wallet In Millennial Generation
	Journal	INTERNATIONAL JOURNAL OF MULTIDISCIPLINARY RESEARCH AND

		ANALYSIS
	Journal Index	International
	Volumes And Pages	Vol. 5
	Year	2022
	Writer	Tri Kartika Pertiwi, Eko Purwanto, Irma Dwi Kusuma, Sinta Dewi, Lelli Kisdayanti
	Access Date	May 5, 2022
	ISSN	2643-9840
	Link	10.47191/Ijmra/V5-I5-22
	Conclusion	From the results of research on the millennial generation during the Covid pandemic, the benefits of using e-wallets as a substitute for cash payments can increase interest in using e-wallets. Respondents' responses to the security and privacy of using e-wallets will also increase their interest in using e-wallets. As for the interest itself, if the interest in using e-wallets increases, it will affect their actual behavior.
(4)	Title	Financial Technology (Fintech) in National Financial Inclusion During the Covid-19 Pandemic
	Journal	Journal of Accounting and Finance
	Journal Index	Sinta
	Volumes And Pages	Vol. 8 No. 1
	Year	2021
	Writer	Ratnawaty Marginingsih
	Access Date	April 1st
	ISSN	2355-2700
	Link	10.31294/Monetary.V8i1.9903
	Conclusion	Based on the results of the discussion, it can be concluded that the existence of Financial Technology (Fintech) had a positive impact during the Covid-19 pandemic. Fintech's contribution has helped more people who are still not served by formal financial institutions in conducting financial transactions according to their needs. National economic recovery and increasing state income during a pandemic can be carried out with regulatory support for Fintech growth and sustainability that is inclusive and has the potential to trigger a very big leap for digital financial services payment industry. Optimizing the role of Fintech in national economic recovery requires the involvement of the support of all parties involved in improving financial services to the wider community. Distribution of financing through Fintech can also be complemented by mentoring processes and financial literacy training. Training and understanding of financial literacy will greatly assist the government's efforts, especially the Financial Services Authority (OJK) in increasing

		public knowledge regarding the financial sector as part of efforts to improve people's welfare.
(5)	Title	Impact, Benefits, Security, And Privacy Of Fintech Adoption In Indonesia: A Literature Review
	Journal	Operations Management And Information System Studies (OMISS)
	Journal Index	Sinta
	Volumes And Pages	Vol. 2, p. 3
	Year	2022
	Writer	Verni Juita, Husna Roza, Rita Rahayu
	Access Date	September 30, 2022
	ISSN	2798-4486
	Link	https://Doi.Org/10.24036/Omiss.V2i3.74
	Conclusion	From the results of research on the millennial generation during the Covid pandemic, the benefits of using e-wallets as a substitute for cash payments can increase interest in using e-wallets. Respondents' responses to the security and privacy of using e-wallets will also increase their interest in using e-wallets. As for the interest itself, if the interest in using e-wallets increases, it will affect their actual behavior.

3.1. Fintech Business in Indonesia

The Fintech business is a financial innovation with a touch of modern technology, which utilizes information technology developments to create new innovations in the financial services sector that are faster and easier to use. Financial Technology is a service of financial products and services through a combination of technology platforms and innovative business models called LJK) electronically.

Thus the Fintech business is a business model that provides FSI by utilizing information technology. Fintech is an innovation that involves the use of modern technology in the field of financial services. So when viewed from the system of business activities that are run, this Fintech business runs an electronic system to run the system.

LJK to its consumers. So that the Fintech business is bound by laws and regulations regarding electronic systems and regulations regarding FSI. Therefore, the Fintech business is regulated and supervised by the Ministry of Communication and Informatics of the Republic of Indonesia (Kemkominfo) as the electronic system regulator and Bank Indonesia and OJK as the FSI system regulators.

3.2. Data protection in Fintech

The existence of the OJK as a supervisory institution in the financial services sector is expected to be able to protect consumers from PUJK which is considered to be detrimental to consumer interests, in this case Fintech consumers. for financial services that place their funds and/or utilize the services available at financial service institutions. In this research, specifically, Fintech consumers. This is as regulated in Article 4 letter cUU No. 21 of 2011 concerning the Financial Services Authority which states that one of the objectives of the establishment of the OJK is to be able to protect the interests of consumers and the public in the financial services sector. . This protection is intended to provide a sense of security for consumers as users of financial services.

Therefore, OJK through the Financial Services Authority Circular No. 14/SEOJK.07/2014 concerning Confidentiality and Security of Consumer Data and/or Personal Information, personal data that must be protected in the Fintech business in Indonesia, namely:

1) Individual data that must be protected: name, address, date of birth and/or age, telephone number, and/or birth mother's name.
2) Company data that must be protected: name, address, telephone number, composition of directors and commissioners including identity documents in the form of identity cards (KTP)/passport/residence permits, and/or composition of shareholders.

Meanwhile, according to the Financial Services Authority Circular No. 18 /SEOJK.02/2017, personal data that must be protected namely

1) Individuals such as: name, domicile address, identity card (KTP, Driving License (SIM), passport), Taxpayer Identification Number (NPWP), date of birth and/or age, email address, IP address, telephone number, telephone account number , biological mother's name, credit card number, digital identity (biometrics), signature, educational history, employment history, bank statements, list of assets, data and other related information.
2) Corporation: name of corporation, address, telephone number, composition of directors and commissioners including identity documents in the form of KTP/passport/residence permit, composition of shareholders, account number, bank statement, list of assets, company documents, data and other related information.
3) Material nonpublic data and information: financial statements, business performance, management decisions, number of customers, other related data and information.
4) Data and information relating to financial transactions.
5) Data and information related to contracts/agreement.

4. Conclusion

Based on the results of the review above, why can Fintech develop to the present era, even though security or personal data is questionable because of electronic agreements, namely agreements made with electronic media. The electronic agreement contains the rights and obligations of the parties in the Fintech business. The obligation of Fintech operators is to maintain the confidentiality, integrity and availability of personal data, transaction data and financial data that they manage from the time the data is obtained until the data is destroyed. Utilization of user data and information obtained by the operator must obtain user consent, convey restrictions on the use of data and information to users, submit any changes.

The purpose of using data and information for users in the event of a change in the purpose of using data and information, the media and methods used to obtain data and information are guaranteed confidentiality, security and integrity. Fintech operators have the right to ensure that consumers have good intentions and obtain information and/or documents regarding consumers that are accurate, honest, clear and not misleading.

The obligation of Fintech consumers is to provide correct personal data or information to Fintech business actors, by filling out electronic forms that have been provided by the organizers with correct personal data. The rights of Fintech consumers are to obtain FSI offered by organizers from Fintech producers, and get guarantees of legal protection for the security of personal data that has been submitted to Fintech providers.

Legal protection of personal data for Fintech consumers Regulated by the Ministry of Communication and Information of the Republic of Indonesia through Minister of Communication and Information Regulation No. 20 of 2016, by OJK through POJK No. 77 of 2016, POJK No. 13 of 2018 and its implementing regulations, namely the OJK Circular Letter. Data that must be protected:

1. Personal personal data.

2. Company personal data.
3. Material non-public data and information.
4. Data and information relating to financial transactions.
5. Data and information related to contracts/agreement.

Protection of personal data is a form of privacy rights which is an individual right that must be guaranteed by the state. The concept of personal data protection implies that individuals have the right to determine whether to share their personal data or not.

The right to privacy through the protection of personal data is very important and even a key element for individual freedom and dignity. Protection of personal data is a strong driver for the realization of political, spiritual, religious freedom, and even sexual activity. The right to self-determination, freedom of expression and privacy are rights that are essential to making us human. Related to the Fintech business, it is this Fintech consumer's personal data that must be protected. If the consumer's personal data is leaked, then the sanctions that have been regulated in the RI Menkominfo Regulation and POJK previously described can be imposed on the party who leaked the consumer's personal data..

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