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DIGITALIZATION OF SHARIA CAPITAL MARKETS AND THE CHALLENGES OF SHARIA INVESTMENT LITERACY IN MUSLIM COMMUNITIES IN INDONESIA

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ABSTRACT
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Digital transformation has brought significant changes to the face of the Islamic capital market in Indonesia, marked by the emergence of the Sharia Online Trading System (SOTS), smartphone-based investment applications, Islamic robo-advisor services, Islamic equity crowdfunding, and the issuance of sukuk (Islamic bonds) based on blockchain technology. These innovations have contributed to an increase in the number of Islamic stock investors and the capitalization of Islamic stocks in recent years. However, this ease of technology-based access has not been in line with the level of understanding of the basic principles of Islamic investment among Indonesian Muslims, as evidenced by the gap between the national Islamic financial literacy and inclusion indexes. This article is the result of a descriptive-analytical literature review that aims to map the forms of digitalization of the Islamic capital market in Indonesia and analyze the challenges of Islamic investment literacy in the Muslim community, viewed from the perspective of maqashid sharia, specifically the dimensions of hifz al-mal (preservation of wealth) and tabyin (explanation/education) as part of the economic da'wah of the community. The results of the study are expected to provide a conceptual contribution to the formulation of a digital-based Islamic financial education strategy that is contextual to the needs of the Indonesian Muslim community in the digital economy era.

INTRODUCTION

The largest Muslim population in the world, has strategic potential in the development of the Islamic financial industry, including the Islamic capital market. Since the issuance of the first Islamic mutual fund in 1997 and the launch of the Jakarta Islamic Index (JII) in 2000, the Indonesian Islamic capital market has continued to experience development supported by strengthening regulations, including Fatwa of the National Sharia Council of the Indonesian Ulema Council (DSN-MUI) Number 40/DSN-MUI/X/2003 concerning Capital Markets and General Guidelines for the Application of Sharia Principles in the Capital Market Sector, as well as Fatwa of the DSN-MUI Number 80/DSN-MUI/III/2011 concerning the Application of Sharia Principles in the Equity Securities Trading Mechanism in the Regular Market of the Stock Exchange. These two fatwas serve as the operational basis for the Islamic stock trading mechanism that is free from elements of usury, maysir, and gharar.

Entering the digital economy era, the development of Indonesia's Islamic capital market is showing an increasingly accelerating trend. Data from the Indonesia Stock Exchange (IDX) indicates that Islamic stock capitalization reached IDR 7,256 trillion at the end of October 2024, or approximately 57.2 percent of Indonesia's total capital market capitalization. The number of Islamic stocks included in the Indonesian Islamic Stock Index (ISSI) increased by 75.6 percent in five years to 641 stocks, or 68 percent of all listed stocks (Antara News, 2024). In line with this, the number of Sharia stock investors registered through Stock Exchange Members providing Sharia Online Trading System (AB-SOTS) services also grew significantly, from around 44 thousand investors in 2018 to around 164 thousand investors at the end of October 2024, or an increase of more than 268 percent (Tempo, 2024), and continued the upward trend to more than 221 thousand investors at the beginning of 2026 (Babel Insight, 2026).

This growth is inextricably linked to the various digital innovations implemented within the Islamic capital market ecosystem. Previous studies have identified several forms of digital innovation, including the implementation of the Sharia Online Trading System (SOTS), which enables online and real-time transactions of Islamic securities; Peer-to-Peer (P2P) Islamic Lending and Equity Crowdfunding services as alternative financing options based on Islamic principles; robo-advisor applications for Islamic investments that provide algorithm-based portfolio recommendations; regulatory sandboxes for Islamic fintech; the issuance of sukuk (Islamic bonds) based on blockchain technology; and the use of artificial intelligence in the analysis and operations of Islamic financial institutions (Pramono & Fakhrina, 2024; Yurindra, 2022). This digital transformation is seen as improving the accessibility, efficiency, and transparency of the Islamic capital market, while simultaneously expanding the investor base and strengthening public trust in the Islamic financial industry (Auliah et al., 2024).

On the other hand, this ease of technology-based access has not been accompanied by an adequate level of public understanding of the basic principles of Islamic finance and investment. The 2024 National Survey on Financial Literacy and Inclusion (SNLIK), conducted by the Financial Services Authority (OJK) and the Central Statistics Agency (BPS), recorded that the Islamic financial literacy index of the Indonesian population had only reached 39.11 percent, while the Islamic financial inclusion index was only 12.88 percent (OJK & BPS, 2024). These figures contrast with the pattern in the conventional financial sector, where the national financial inclusion index (75.02 percent) is actually higher than the literacy index (65.43 percent) (OJK & BPS, 2024). This inverse pattern in the Islamic sector indicates a gap between public knowledge of Islamic financial concepts and their actual participation in using Islamic investment products and services, including Islamic capital market products, which are now increasingly accessible through digital platforms.

Several previous studies have examined the digitalization of Islamic capital markets and the issue of Islamic financial literacy separately. Auliah et al. (2024), for example, highlighted the role of digital transformation in the development of Islamic capital markets in terms of trade efficiency and service accessibility. A study in Mauriduna: Journal of Islamic Studies examined the opportunities and challenges of Islamic capital markets in the digital era, including low Islamic financial literacy as a major obstacle. Selasi et al. (2024) also found an influence of Islamic financial literacy on investment interest in Islamic capital markets, and a study in the Masharif al-Syariah Journal highlighted the paradox between digital inclusion and Islamic literacy among young retail investors in the Indonesian capital market. These studies generally use an economic-managerial approach and focus on the retail investor segment, particularly the younger generation. However, not many have placed this phenomenon within the framework of Islamic studies that highlight the broader dimensions of education, da'wah, and maqashid sharia, including the segments of society that, according to SNLIK 2024, actually have the lowest levels of financial literacy and inclusion, namely rural residents, the 51-79 age group, and low-educated groups (OJK & BPS, 2024).

Based on the above description, this study is positioned at the intersection of the study of the digitalization of the Islamic economy and the study of Islamic education/da'wah, using the framework of maqashid sharia, specifically the dimensions of hifz al-mal (preservation of wealth) and tabyin (explanation/education) to read the gap between the acceleration of the digitalization of the Islamic capital market and the low literacy of Islamic investment in the Indonesian Muslim community in general, not limited to young retail investors alone. The novelty of this study lies in the effort to integrate data on the development of the digitalization of the Islamic capital market with national Islamic financial literacy-inclusion data in a single conceptual analysis based on maqashid sharia, which is then used to formulate the direction of the digital-based Islamic economic education and da'wah strategy for the Indonesian Muslim community.

METHODS

1. Types and Approaches of Research

This study employs a descriptive qualitative approach with library research. The qualitative approach was chosen because the focus of this study is to understand and interpret the phenomenon of digitalization of the Islamic capital market and the challenges of Islamic investment literacy in depth, rather than to statistically test the relationship between variables. This study also employs a normative-empirical approach, which combines empirical data analysis in the form of statistics on the development of the Islamic capital market and the Islamic financial literacy and inclusion index with normative analysis sourced from the DSN-MUI fatwas and the maqashid sharia framework.

2. Data source

The data in this study comes from secondary data, which includes:

a. Official documents from authority institutions, such as the results of the 2024 National Survey of Financial Literacy and Inclusion (SNLIK) published by the Financial Services Authority (OJK) in collaboration with the Central Statistics Agency (BPS), as well as statistical data from the Indonesia Stock Exchange (IDX) and PT Kustodian Sentral Efek Indonesia (KSEI) regarding the development of Islamic stock investors and capitalization;
b. Fatwa of the National Sharia Council-Indonesian Ulema Council (DSN-MUI) regarding the sharia capital market;
c. Indexed scientific journal articles (SINTA, DOAJ, Google Scholar) that discuss the digitalization of Islamic capital markets and Islamic financial/investment literacy in Indonesia in the 2018-2026 period, as well as literature on the study of Islamic maqashid as a normative analytical framework.

3. Data Collection Techniques

Data collection was conducted through documentation and literature review techniques, namely by searching, collecting, and selecting official documents and relevant journal articles through online databases such as Google Scholar, Garuda, DOAJ, as well as the official portals of the Financial Services Authority (OJK), the Indonesian Stock Exchange (BEI), and the Indonesian Council of Ulemas (DSN-MUI). The search was conducted using the keywords "digitalization of Islamic capital markets," "Islamic investment literacy," "Islamic financial literacy," and "maqashid sharia in Islamic economics." The inclusion criteria used were documents and articles published between 2018 and 2026, relevant to the topic of Islamic capital market digitalization and/or Islamic financial-investment literacy in Indonesia, and originating from credible sources, namely official institutions or accredited/indexed scientific journals.

4. Data Analysis Techniques

The collected data was analyzed using qualitative content analysis techniques using the Miles and Huberman interactive analysis model, which consists of three stages: data reduction, data presentation, and conclusion drawing/verification. In the data reduction stage, the data were grouped into three main themes, as follows:

a. Forms and developments of digitalization of the Islamic capital market,
b. Conditions and challenges of sharia investment literacy,
c. Relevant principles of maqashid sharia. At the data presentation stage, the three themes are presented narratively and, if necessary, in comparative tables.

At the conclusion drawing stage, a deductive-inductive analysis is carried out, namely empirical data regarding digitalization and Islamic investment literacy are read and interpreted using the normative framework of maqashid sharia, especially hifz al-mal and tabyin to produce a conceptual formulation regarding the challenges and strategies for increasing digital-based Islamic investment literacy.

5. Data Validity

The validity of the data in this study was achieved through source triangulation, namely by comparing and confirming data from various sources: official regulatory documents (OJK, BEI, KSEI), DSN-MUI fatwas, and peer-reviewed scientific articles. This triangulation was carried out to ensure that the data and information used in the analysis were consistent, accurate, and academically accountable.

RESULT AND ANALYSIS

Table 1. Previous Research Results and Current Research Gaps

No	Researcher & Research Title	Key Findings of Previous Research	Relation to Current Research	Current Research Gap
1	Auliah, Vidiati, Selasi, & Pratama (2023). "The Role of Digital Transformation in the Development of the Islamic Capital Market in Indonesia."	Digital transformation plays a crucial role in addressing the low number of investors and low literacy rates through easy access to online information and education on the Islamic capital market.	Supporting the argument that digitalization paves the way for strengthening sharia investment literacy in the wider community.	It has not yet touched the spiritual and religious dimensions of the Muslim community in general, only reaching market players who are already actively investing.
2	Maulana, Mukhtasar, Wibowo, Razali, &	Digitalization opens up opportunities for	To be a basic map of opportunities and	We have not yet linked these

	Safwan (2024). “Transformation of the Indonesian Sharia Capital Market: Navigating the Challenges of Digitalization and Financial Inclusion in the 5.0 Era.”	financial inclusion and Sharia literacy education, but it also raises problems such as low Sharia financial literacy, data security issues, and regulatory readiness for new technologies.	challenges in digitalization of Islamic capital markets that are relevant to this research topic.	literacy challenges to the socio-religious character of Indonesian Muslim society specifically.
3	Qomariyyah, Sari, & Maulana (2024). “Is Fintech Effective for the Development of the Sharia Capital Market?”	The use of fintech facilitates access to sharia capital market transactions, but its effectiveness is not optimal due to investors' low understanding of sharia mechanisms and principles in digital products.	Provides empirical evidence of the relationship between financial technology and investor sharia literacy.	It has not yet discussed the role of religious education or digital preaching as a bridge to increasing literacy.
4	Dwi Indriani, Isnaeni, & Riziqiyah (2026). “The Paradox of Digital Inclusion and Sharia Literacy among Young Retail Investors in the Indonesian Capital Market.”	The national Islamic financial inclusion index has only reached 12.88% (SNLIK 2024), indicating a gap between ease of digital access and fundamental understanding of Islamic financial principles among young retail investors.	Provides the latest empirical data that strengthens the argument about the literacy gap amidst digitalization.	The focus is on young retail investors who are already actively investing, not including the general Muslim community who are not yet investment literate.
5	Atikah & Sayudin (2024). “Analysis of	Sharia capital market instruments such as	Strengthening the argument that	Not yet integrating the values of the

	the Development of the Sharia Capital Market: Challenges and Opportunities in Sharia-Based Investment."	sharia stocks, sukuk, and sharia mutual funds are growing rapidly thanks to digitalization, but the challenge of public literacy and understanding of sharia principles remains low.	quantitative growth of the Islamic capital market is not automatically followed by growth in qualitative literacy.	Qur'an and Islamic ethics as a framework for strengthening investment literacy solutions.

Based on the table of previous research reviewed, it can be seen that the majority of studies place digitalization as a crucial factor in driving the development of the Islamic capital market in Indonesia. Research conducted by Auliah et al. (2023) shows that digital transformation has significantly contributed to increasing public access to information and education on Islamic investment. Ease of access through digital platforms is considered capable of expanding market reach and opening up opportunities for increasing the number of Islamic investors. These findings align with the focus of this study, which positions digitalization as a strategic instrument in strengthening Islamic investment literacy. However, this research still focuses on the technical and operational aspects of the capital market and therefore does not examine how religious values influence the level of investment understanding among the broader Muslim community.

Research by Nora Maulana, Mukhtasar, Muhammad Ghafur Wibowo, and Razali (2024) expands the discussion by identifying various opportunities and challenges arising from the digitalization of the Islamic capital market. Their research findings indicate that technological developments can increase Islamic financial inclusion, but on the other hand, they still face issues of low financial literacy, data security, and regulatory readiness to respond to technological changes. These findings illustrate that technological progress does not always translate directly into improved public understanding. However, this study has not specifically linked literacy issues to the social and religious characteristics of Indonesian Muslims, who have diverse religious backgrounds.

Furthermore, research by Qomariyyah et al. (2024) highlighted the role of financial technology, or fintech, in supporting the development of the Islamic capital market. The results showed that fintech has successfully simplified the transaction process and investment access for the public. However, its effectiveness remains suboptimal because some investors do not yet understand the sharia principles that underlie the operation of digital investment products. These findings demonstrate that technological convenience needs to be balanced with increased education so that the public not only understands how to use investment applications but also the sharia substance contained within them. However, this research did not address how an Islamic-based educational approach or digital da'wah can be utilized as a means of increasing sharia investment literacy.

Meanwhile, research by Indriani et al. (2026) shows a gap between the level of digital inclusion and Sharia literacy among young retail investors. The data used shows that access to Sharia financial services is increasingly easy, but understanding of the basic principles of Sharia investment remains relatively low. This situation illustrates the paradox between technological advances and the quality of public literacy. Although the study provides actual empirical data on the state of Sharia literacy, the scope of the study is still limited to young investors who are already actively investing, so it does not reflect the conditions of the Muslim community in general, especially those who have no investment experience.

Research by Atikah, N., Sayudin, (2024) also makes an important contribution by showing that the development of Islamic capital market instruments, such as Islamic stocks, sukuk, and Islamic mutual funds, has experienced quite rapid growth along with the increasing use of digital technology. However, this growth has not been accompanied by an increase in public understanding of Islamic investment principles. The results of this study confirm that the quantitative development of Islamic capital markets does not automatically result in an increase in the quality of public literacy. However, this research has not integrated the perspectives of the Quran and Islamic ethics as a conceptual basis for explaining the importance of strengthening Islamic investment literacy.

Overall, the results of previous research indicate a shared view that digitalization has been a key driver of the development of the Islamic capital market in Indonesia. Various technological innovations have successfully expanded investment access, increased transaction efficiency, and opened up opportunities for broader financial inclusion. However, almost all of the reviewed studies also revealed that increased digital access has not been fully accompanied by an increase in the public's Islamic investment literacy. Furthermore, most research still focuses on aspects of technology, regulation, and investor behavior, while the dimensions of religiosity, Qur'anic values, and Islamic ethics as the foundation for developing Islamic investment literacy have yet to be discussed in depth. Therefore, this study aims to fill this gap by analyzing the relationship between the digitalization of the Islamic capital market and the investment literacy challenges of the Indonesian Muslim community through an Islamic economic and business approach that places Islamic values as the primary foundation for strengthening investment understanding.

1. **The digitalization of the Islamic capital market in Indonesia is accelerating at an unstoppable pace.**

   Developments in financial technology have significantly transformed the Islamic capital market in Indonesia over the past decade. The advent of the Sharia Online

Trading System (SOTS), the world's first system for Islamic-based stock transactions, coupled with a variety of smartphone-based investment applications, has enabled people to open Islamic securities accounts, monitor stock movements, and even conduct buy-sell transactions all at the touch of a finger. This convenience is certainly a stark contrast to a decade ago, when prospective investors had to visit securities offices in person and undergo lengthy administrative procedures (Harto, Yasni, & Wibowo, 2020).

Digitalization is fundamentally more than just a matter of technical convenience, but rather a turning point for the Islamic capital market industry in expanding the investor base and promoting financial inclusion. The use of technologies such as fintech, mobile applications, and digital platforms has facilitated investor access and participation in Sharia-compliant non-bank financial products. However, this rapid technological advancement has been accompanied by a number of new challenges, ranging from data security issues, regulatory readiness for emerging innovations, to the low level of Islamic financial literacy among the public (Nora Maulana, Mukhtasar, Muhammad Ghafur Wibowo, Razali, 2024).

In terms of instruments, Islamic capital market products such as Islamic stocks, sukuk, and Islamic mutual funds have also experienced quite rapid growth in line with this digital transformation. Digital investment platforms not only function as transaction vehicles but have also transformed the interaction mechanisms between investors, issuers, and investment managers, making the previously complex investment process simpler and more transparent (Auliah et al., 2023). However, several studies indicate that the classic obstacles of a limited number of investors and low levels of Islamic financial literacy remain major obstacles that have not been fully addressed by technological advancements (Syam & Yusuf, 2024).

2. Portrait of Sharia Investment Literacy of Indonesian Muslim Society in a Paradoxical Comparison between Access and Understanding

Although access to sharia-compliant investment services is increasingly accessible through mobile phones, the reality on the ground shows that this ease of access has not been fully matched by an adequate understanding of the basic principles of sharia finance. The 2024 National Survey on Financial Literacy and Inclusion (SNLIK) recorded a national sharia financial inclusion index of only 12.88%, a figure that is quite surprising considering Indonesia's Muslim population, which constitutes the majority of the world's population (OJK, 2024). This gap clearly indicates a significant gap between ease of digital access and the public's fundamental understanding of sharia financial principles (Indriani et al., 2026).

This phenomenon presents a paradox. On the one hand, the growth of Islamic capital market instruments such as Islamic stocks, sovereign sukuk, and Islamic mutual funds continues to show a positive trend thanks to the support of an increasingly mature digital ecosystem. However, on the other hand, this quantitative growth has not been accompanied by an increase in the quality of public literacy. The challenge of financial literacy and understanding Islamic principles in investing remains a significant challenge, leading many Muslims who actually have the financial capacity to invest are hesitant or even reluctant due to a lack of a complete understanding of how Islamic investment mechanisms work (Atikah, N., Sayudin, 2024).

One of the root causes of this low literacy rate is that many Muslims still lack a comprehensive understanding of basic concepts such as usury (riba), gharar (uncertainty), and maysir (speculation), as well as how these three elements are filtered through the sharia stock screening mechanism. Yet, understanding these elements is the foundation that differentiates sharia investment from conventional investment. Without a comprehensive understanding, people tend to simply equate investing in sharia-labeled products with conventional products, despite the fundamental differences in terms of contracts, ownership principles, and the intended goals of public welfare (Fauzi, 2024).

3. Factors Influencing Sharia Literacy and Investment Interest in the Digital Era

The advent of financial technology (fintech) is often considered an instant solution to boost literacy and public participation in the Islamic capital market. However, findings show that fintech's presence is not yet effective when viewed solely from the perspective of transaction convenience. While fintech has successfully reduced access barriers, its effectiveness in driving the growth of the Islamic capital market is still hampered by users' lack of understanding of the mechanisms and sharia principles inherent in these digital products. This means that technological sophistication without adequate education has the potential to produce investors who are "application-savvy" but "literacy-blind" (Qomariyyah et al., 2024).

Besides technology, other factors influence public interest in and literacy in Sharia investment, including education level, access to information, regulatory support from the Financial Services Authority (OJK) and the National Sharia Council-Indonesian Ulema Council (DSN-MUI), as well as global economic dynamics that influence the movement of the Jakarta Composite Index (IHSG) and Sharia investment instruments in general. These challenges and opportunities are interconnected, so increasing investment interest in the digital era cannot rely solely on a single factor but requires synergy between regulatory strengthening, product innovation, and ongoing education (Putri et al., 2024).

Another equally important factor is the religious values held by the Muslim community itself. Creatively packaged Islamic financial educational content on social media, whether in the form of short videos, infographics, or live streaming with religious leaders and capital market practitioners, has proven effective in bridging the gap between the community's spiritual values and the need for practical financial literacy. This digital da'wah approach aligns with efforts to expand Islamic financial inclusion while strengthening public trust in the sharia-compliant legitimacy of investment products offered through digital platforms (Nora Maulana, Mukhtasar, Muhammad Ghafur Wibowo, Razali, 2024).

4. **The Qur'an as a Spiritual Foundation: Knowledge, Halal Transactions, and the Prohibition of Usury in Investing**

The challenge of Islamic investment literacy is not merely a technical and economic issue, but also a spiritual awareness to continually seek knowledge before making decisions, including investment decisions. Islam strongly emphasizes the importance of knowledge as the foundation of every action, as stated in the words of Allah SWT:

قُلْ هَلْ يَسْتَوِي الَّذِينَ يَعْلَمُونَ وَالَّذِينَ لَا يَعْلَمُونَ

It means: "*Say (O Muhammad): Are those who know equal to those who do not know?*" (QS. Az-Zumar: 9).

This verse emphasizes that the status of those with knowledge and those without is clearly unequal. In the context of Islamic investment, this verse can be interpreted as a reminder that ease of digital access should not be used as an excuse to rush into investing without first understanding the basic principles and associated risks. Instead, technological convenience should be leveraged to expand access to knowledge, so that investment decisions are truly based on understanding, not simply following trends or the Fear of Missing Out (FOMO) that is common among young people in today's digital age (Fauzi, 2024).

In addition to the importance of knowledge, the Quran also provides clear guidelines on how wealth should be acquired and managed, including in trade and investment activities. Allah SWT says:

يَا أَيُّهَا الَّذِينَ آمَنُوا لَا تَأْكُلُوا أَمْوَالَكُمْ بَيْنَكُمْ بِالْبَاطِلِ إِلَّا أَنْ تَكُونَ تِجَارَةً عَنْ تَرَاضٍ مِنْكُمْ

It means: "*O you who believe, do not consume one another's wealth unjustly, except by trade by mutual consent.*" (QS. An-Nisa: 29).

The above verse underscores two important principles in transactions: the prohibition on acquiring wealth through wrongful means and the necessity of mutual consent in every transaction. In digital investment practice, this principle is relevant as it reminds investors to ensure that every transaction, whether buying or selling shares, sukuk, or mutual funds, is based on voluntary consent, information transparency, and free from fraud or market manipulation. Understanding this verse is crucial for Muslims to view investment instruments not only from the perspective of profit but also from the perspective of the blessings involved in obtaining them (Harto, Yasni, & Wibowo, 2020).

However, one of the most fundamental differences between Islamic and conventional capital markets lies in Islam's stance on usury (riba). Allah SWT explicitly states:

وَأَحَلَّ اللَّهُ الْبَيْعَ وَحَرَّمَ الرِّبَا

It means: "*...and Allah has permitted buying and selling and forbidden usury...*"(QS. Al-Baqarah: 275).

This verse serves as a primary reference in establishing sharia screening criteria for the Sharia Securities List, whereby issuers operating interest-based or usury-based businesses are automatically excluded from the Sharia-compliant stock category. Unfortunately, in practice, many Muslims still lack a clear understanding of how this screening process works. Therefore, when faced with a variety of digital investment products, they struggle to distinguish between those that are truly usury-free and those that merely have a sharia-compliant label without any substantive basis. Understanding this distinction is, in fact, part of safeguarding wealth (hifz al-māl), one of the primary objectives of the maqasid sharia (Fauzi, 2024).

Thus, the three verses above can be viewed as a unified, complementary spiritual foundation in the context of Islamic investment literacy: the importance of knowledge before acting, transactions based on willingness and justice, and adherence to the prohibition of usury, the primary distinguishing feature of Islamic investment. These three values are familiar to Indonesian Muslims, but many are unaware that they align with the needs of modern financial literacy currently being promoted by various financial institutions (Nora Maulana, Mukhtasar, Muhammad Ghafur Wibowo, Razali, 2024).

5. Synergy Between Digitalization and Literacy: A Strategy to Strengthen the Sharia Investment Ecosystem in Indonesia

Based on the discussion above, it can be said that digitalization and Sharia investment literacy are two sides of the same coin, inseparable. Digitalization without literacy will only produce investors who are vulnerable to risk, easily influenced by trends, and potentially trapped by products merely labeled as Sharia without substantial compliance. Conversely, literacy without the support of an adequate digital ecosystem will also struggle to reach the wider community, given the diverse nature of

Indonesia's Muslim population, which is spread across various regions with varying levels of technological access (Auliah et al., 2023).

Therefore, a collaborative strategy is needed between regulators, industry players, academics, and religious leaders. The Financial Services Authority (OJK) and the National Sharia Council (DSN-MUI) can strengthen regulations regarding the minimum educational standards that digital investment platforms must provide before users can conduct transactions, while universities and Islamic educational institutions can integrate Islamic capital market literacy materials into their curricula and community service programs. Sharia fintech players also need to be encouraged to focus not only on increasing the number of users but also on improving the quality of their users' understanding of the products offered (Qomariyyah et al., 2024).

Ultimately, strengthening digital-based Islamic investment literacy aligns with the principle of khalifah fil ard, where humans are entrusted with managing resources, including wealth, responsibly and with a focus on the common good. If the digitalization of Islamic capital markets can go hand in hand with increased literacy among the Muslim community, it is possible that Indonesia, as the country with the largest Muslim population in the world, could become a hub for inclusive, transparent Islamic investment, and in accordance with Islamic values (Atikah, N., Sayudin, 2024).

CONCLUSION

The digitalization of the Islamic capital market in Indonesia has shown very rapid development through the presence of various technological innovations such as*Sharia Online Trading System (SOTS)*, digital investment applications, Sharia fintech, robo-advisors, and the development of technology-based investment instruments. These developments have had a positive impact on increasing public access to Sharia investment services, expanding investor reach, and encouraging the growth of Sharia capital market instruments in Indonesia.

However, this accelerated digitalization has not been fully accompanied by increased Sharia investment literacy among Indonesian Muslims. There remains a gap between easy access to digital investment services and public understanding of the basic principles of Sharia investment, such as the prohibition of riba (usury), gharar (gharar), and maysir (gambling), as well as the screening mechanisms for Sharia investment instruments. This situation indicates that increased digital inclusion has not automatically translated into improved understanding of Sharia investment.

Based on the perspective of the maqasid sharia, specifically the concepts of hifz al-mal (protection of wealth) and tabyin (education/explanation), strengthening sharia investment literacy is crucial for safeguarding people's wealth, ensuring it is managed in a halal, safe, and beneficial manner. Literacy is understood not only as the ability to use digital investment platforms, but also as the ability to understand the sharia values, contracts, and ethics that underpin such investments. Through this collaboration, the digitalization of the Islamic capital market is expected to not only increase the number of investors but also create a more financially savvy Muslim society that remains grounded in Islamic values in its investment activities.

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