

Analysis Theory of the Law of Convergence in Regulation Licensing and Supervision Financial technology (Fintech) in Indonesia

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Abstract:

The convergence paradigm of the legal order is carried out by examining the approaches to the conception of convergence and the conception of non-convergence in law. The approach is used to find the relationship between similarities and differences in legal systems, or to compare different legal systems to explain the importance of the concept of legal convergence. A legal system will find different ways to approach a similar problem and in practice often achieve functionally similar results. On the other hand, some year lately this, we currently faced with development industry financial technology (fintech) who experienced growth very significant. This thing This is evidenced by the increasing number of providers registering and having licenses with relevant regulators, the increasing number and volume of transactions in the community, and the increasing variety of types of digital financial services offered by fintech operators. Development fintech requires the readiness of the Government as a regulator in preparing regulations, especially those related to institutional aspects, business activities, and risk mitigation. In order to maintain the growth of the fintech industry and improve its quality and competitiveness (especially at the regional level), it is necessary to have adequate digital infrastructure, a conducive regulatory climate, the number of human resources with appropriate skills and better digital financial literacy for the community high. Financial Services Authority Republic of Indonesia (OJK -RI), Bank Indonesia (BI) as the central bank as well as Relevant ministries are still preparing and compiling provisions to regulate fintech in Indonesia. To date, a number of technical regulations have been issued by several regulators in relation to the licensing, regulation and supervision of fintech operators.

Keywords:

convergence; regulation; financial technology (fintech)

I. Introduction

The current era of the industrial revolution 4.0, the existence of law is experiencing its own challenges where the law is expected to be able to adapt and make changes in the face of developments. The industrial revolution 4.0 is an era of disruption, namely an era where the way of working moves or changes from a conventional way of working to a modern one, with a digital approach. The attitude of rejecting and opposing the presence of technology can have implications for being left behind by developments and changes formed by it.

The most real challenge for society during the industrial revolution 4.0 is the technology sector which has influenced the legal and economic fields as well as other very important sectors. The rapid advancement of technology in this era should not be treated as just an ordinary technological development, but as a wave of the industrial revolution. Today's technological developments have changed the way people live, from thinking, communicating, working, mobility, to social order including the prevailing legal order. Situations and

conditions like this, the law should be able to become a driving force and direct the community and be able to position the law as a leader, not as a follower.

On the other hand, the development of digital innovation and information technology in the economic sector has brought significant changes in providing alternative financial services, especially for the public and the business world who do not yet have access to finance. Technological innovation in the financial sector (financial technology/fintech) is an important part of promoting financial inclusion. The rapid development of technology in the financial sector is expected to be able to provide benefits to the community, so that increasing access to financial services and products will be able to drive and grow the national economy.

At the end year 2018 existence financial technology (fintech) is enlivened by demonstrations customers in Jakarta and follow up with reports to the Legal Aid Institute (LBH). There are $\pm 1,300$ reports about practice naughty collection incoming fintech to LBH and $\pm 2,000$ reports to Financial Services Authority (OJK). Customers feel has become a victim of intimidation, persecution, action no fun, slander, and transgression right basic (Human Rights) carried out by the company fintech. Part of customer the report has intimidated by collector fintech, reviled, even requested for photo naked. There are also photos personal in smartphone accessed and disseminated on social media. According to LBH report notes customer the addressed to 89 fintech platforms and almost everything is mobile fintech in peer-to-peer lending (P2P lending) (Mawardi, 2021).

Platforms in general offer credit fast without collateral and survey only conducted through technology with method customer give permission to Platforms for access various information important from customer (personal data), including accessing number contact in smartphones. Problem arises when credit customer problem or stuck, next fintech platforms make use of personal data customer the as a medium for bill. Condition this exacerbated by reality that until moment this we haven't regulation legislation which special arrange about personal data protection.

II. Review of Literature

2.1 Convergence Theory

The flow of economic globalization followed by the development of information technology has brought changes in various fields of human life. These changes also have an impact on legal theory where the law is required to be able to describe and explain thoroughly descriptive, explanatory, normative and analytical characteristics of legal phenomena in the modern world. (Budhijanto, 2014) Changes and the influence of globalization on legal theory is based on the construction of various perspectives on global, regional, local, and transnational rules which have been considered as related rules and strings. Legal theory in the modern world requires multiple interpretations that are able to explain that a phenomenon in one place needs to be reviewed from a wider perspective, including in a global context.

The comparative study of law introduces three (3) concepts, namely: The legal concepts of convergence, harmonization and unification have become concepts that continue to develop today. The three concepts seem almost the same, but to distinguish the three legal concepts, see the table below (Garoupa, 2006):

Legal Concept	General Understanding
Convergence	Used as an attempt to unify several legal systems, conceptions, principles, and norms
Harmonization	Used as an effort to prepare national laws or state laws that have regulatory relevance based on laws, regulations and administrative actions .
Unification	It is used as an extreme harmonization effort for both differences and flexibility in arrangements and does not provide room for other provisions

2.2 Paradigm of Convergence of Legal Order

Lawyers and economists have predicted that the legal order will move a more adequate direction in accordance with the development and needs of the global community. The implications of globalization will force and encourage the legal order to converge towards achieving economic efficiency. A legal order that is oriented to one legal system alone will not be able to provide solutions to existing problems. (Ogus, 1999) Legal experts who adhere to comparative functionalism believe that the concept of legal unification is something that is desirable and inevitable in a legal order. The basis of the argument is functional equivalence where a legal system can look different because it has different doctrines and institutions, but these differences are only superficial, because basically these institutions are still able to fulfill the same and similar functions. This condition will make it easier to formally unify the law because essentially (substantially) the legal order has been similar (Michaels, 1997).

Opportunities for legal unification in other parts will face challenges related to the understanding that legal culture will be an obstacle to efforts to converge the legal order. Economists assume that legal culture is considered to be a barrier to a more efficient climate. This opinion is also supported by legal experts that cultural differences will be a challenge in itself from the desired functional comparative equation. Local culture and values that have become important variables for the lives of some people in parts of the world will be a challenge for the convergence of the legal order and unification, although on the other hand it is believed that in the field of economic law, people have cultural similarities at the local and transnational levels (Budhijanto, 2014).

The close relationship between law and other factors such as economic, social, political, technological and cultural requires full concentration in efforts to maximize and position the law functionally. The formation of effective laws and regulations is expected to be aspirational for the needs and relevant to the development of modern technology for people's lives. The participation and attention of the relevant institutions will encourage the effectiveness of the products of legislation. Adequate legal understanding should not only view law as a mere set of rules and principles, but also include institutional issues and processes needed to realize law in reality (Kusumatmadja, 2006).

III. Discussion

3.1 Conceptual Approaches of Convergence and Non-Convergence in Law

The convergence paradigm of the legal order is carried out by examining the approaches to the conception of convergence and the conception of non-convergence in law. The approach is used to find the relationship between similarities and differences in legal systems, or to compare different legal systems to explain the importance of the concept of legal convergence (Budhijanto, 2014).

3.2 Theory of the Law of Convergence

The rationale for the theory of convergence law is adapted from the concept of convergence of 4C technology (communication, *computing, content and community*), namely the availability of different types of technology, which have almost the same function, where the technology is synergistically integrated between voice, data and video services that can be processed and exchanged using only one type of network. The term "convergence" in some literatures is defined as, *progressive integration of the value chains of the information and content industries into a single market and value chain based on the use of distributed digital technology*. single and distributed value chain based on the use of digital technology). Convergence is also defined as, *progressive integration of different network platforms to deliver similar kinds of services and/or different services delivered over the same network platform* . the same network) (Budhijanto, 2014). There are several levels of technological convergence, namely:

1. Technology; The key to the transformation required in convergence, as identified by Negroponte, is the change from atoms (which are the smallest particles of matter) to binary digits (bits). Technological convergence can transform media and communication technology and allows manipulation, data transformation, copying of original information, subtraction and addition.
2. Product; convergence in products is marked by the presence of information appliance products that can perform visual, hearing and computing functions as well as mobile phone devices with the ability to receive or send images, voice, data, internet, cameras, data storage. At this level, printing technology will appear that can combine printers, scanners, photocopiers, fax machines, and telephones.
3. Company; The level of convergence in the company led to the merger of companies that were integrated with the computer, telecommunications, and media industries.
4. Industry; conventional industries which during operation include: computers (hardware, software), telecommunications (networks, telecommunications services), media (TV, radio, newspapers) in terms of industrial convergence, the boundaries are blurred. The convergent industrial world is information appliances with levels divided into production, distribution, and content consumption (Budhijanto, 2014).

3.3 Financial Technology Licensing and Supervision Regulation in Indonesia

The growth of the global *fintech* industry continues to increase despite the pandemic. *The Global COVID-19 Fintech Market Rapid Assessment Study* released by the *Cambridge Center of Alternative Finance* (CCAF) in November 2020, shows the increasing adoption of digital financial services in developing countries. The results of this study further encourage global optimism about the potential of *fintech* in increasing access to financial services, economic inclusion, and contribution to the economy.

The Financial Services Authority (OJK), Bank Indonesia (BI) and related ministries are still preparing and compiling provisions to regulate Fintech in Indonesia. To date, a number of technical regulations have been issued by several regulators in relation to licensing, regulation and supervision of fintech operators in the payment system, P2P lending, digital financial innovation and *securities crowdfunding*.

The general difference in the supervision of fintech carried out by BI and OJK is that BI handles fintech that is included in the payment system category, including companies that provide *payment gateway, remittance, e-wallet, switching* services, and others. Meanwhile, OJK handles *fintech*, including those engaged in *P2P lending/financing, insurance*, and so on. Types of supporting business activities or *fintech enablers* such as *e-KYC, robo advisors, big data*, and others will be handled across authorities.

3.4 Licensing and Supervision Regulation by the Financial Services Authority

Development of *fintech* has made OJK finally form several teams or work units. OJK has formed a Digital Economy and Finance Innovation Development Team (PIDEK) which consists of a combination of a number of work units at OJK that reviews and studies Fintech developments and prepares regulations and development strategies (Drafting Team, 2017). In connection with the increasing application for registration and licensing of Fintech *start-up* companies, the need for Fintech supervision, and the proliferation of Fintech in the financial services sector, OJK has established two new work units related to Fintech, namely the Digital Finance and Microfinance Innovation Group and the Directorate of Fintech Regulation, Licensing and Supervision.

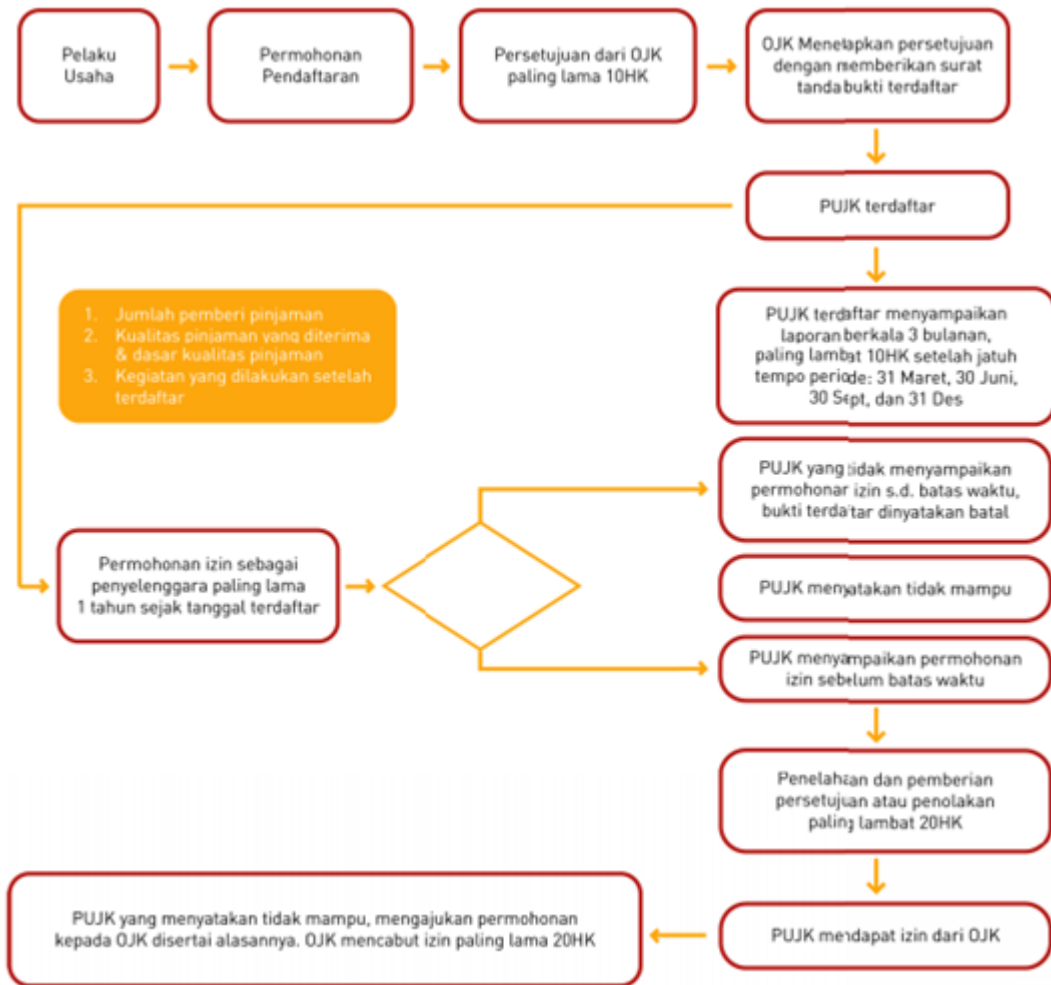
3.5 Licensing Issued by the Financial Services Authority

POJK Number 77/POJK.01/2016 contains provisions for information technology-based lending and borrowing service providers (*fintech P2P lending*) in carrying out their activities, they must first register and obtain permits from the OJK. This registration application is submitted no later than 6 (six) months after POJK Number 77/POJK.01/2016 takes effect. The application for registration is submitted by the Board of Directors to the Chief Executive of Supervision of Insurance, Pension Funds, Financing Institutions, and Other Financial Services Institutions using a form accompanied by document attachments as regulated in Article 8 paragraph (3) POJK Number 77/POJK.01/2016. OJK will then review the registration application submitted by the Information Technology-based financial service provider and then determine the approval of the registration application within a maximum period of 10 (ten) working days from the receipt of the registration application document. After 10 (ten) working days, OJK will determine registration approval by providing a certificate of registration.

Within a maximum period of 20 (twenty) working days from the receipt of the permit application document, OJK will give approval or rejection of the permit application. OJK conducts research on the completeness of the documents and analyzes the feasibility of the work plan. In the process of granting the permit, it is possible for OJK to conduct interviews with the owners and/or prospective directors and verify directly at the permit application office. The interview was conducted as a means of *fit and proper test* of the candidates for directors/commissioners. The interview was also to check that the paid-up capital did not originate from loans or money laundering activities *and* other financial crimes, was not recorded in the list of bad debts, had never been convicted of a crime in the financial and/or economic sector based on a court decision. which has had permanent legal force in the last 5 (five) years and has never been declared bankrupt based on a court decision that has permanent legal force.

The registration and licensing process carried out by information technology-based lending and borrowing service providers or financial service business actors (PUJK) in accordance with POJK Number 77/POJK.01/2016 is presented in the following table:

Table 1. P2P Lending Registration and Licensing Process Flow



3.6 Supervision by the Financial Services Authority

Regulations regarding OJK supervision of fintech in this case information technology-based lending and borrowing services (P2P *lending*) are regulated in POJK Number 77/POJK.01/2017. Supervision of fintech P2P Lending or online lending and borrowing is divided into two stages: pre-business operations, during business operations. Pre-operational supervision of the business is carried out by OJK when information technology-based financial service providers will start operating. Technically, the pre-operational stage is in the form of managing registration and operating permits by the organizers in this case being a legal entity in the form of a limited liability company or cooperative. In this pre-operational stage of supervision, it is regulated regarding OJK's supervision of changes in operator ownership which must first obtain approval from OJK. In addition, if the operator who has obtained a permit and declares that he is unable to continue his operational activities, must submit an application for license revocation at his own request to the OJK, accompanied by reasons for incompetence, and a plan to settle the rights and obligations of the user.

3.7 Licensing and Supervision Regulation by Bank Indonesia

Bank Indonesia has established a *Fintech Office* (FTO) as a forum for assessment, risk mitigation, and evaluation of business models and products/services from Fintech as well as the initiator of research related to technology-based financial service activities. The establishment of

the Fintech Office is based on Bank Indonesia's position as the payment system authority and the need to support the development of sound technology-based financial transactions. *The Fintech Office* will operate with 4 functions, namely: 1) A catalyst or facilitator function, for the exchange of innovative ideas for Fintech development in Indonesia; 2) *Business intelligence function*, where BI-FTO will regularly provide updates through dissemination of study results and meetings including with relevant ministries and authorities as well as international institutions; 3) Assessment function, BI-FTO will monitor and map the potential benefits as well as risks from the innovation of business models and products offered. The results of the assessment will form the basis for policy formulation at Bank Indonesia; 4) The function of coordination and communication, whose role is to provide an understanding of the existing regulatory framework, and to encourage harmonization of regulations across authorities.

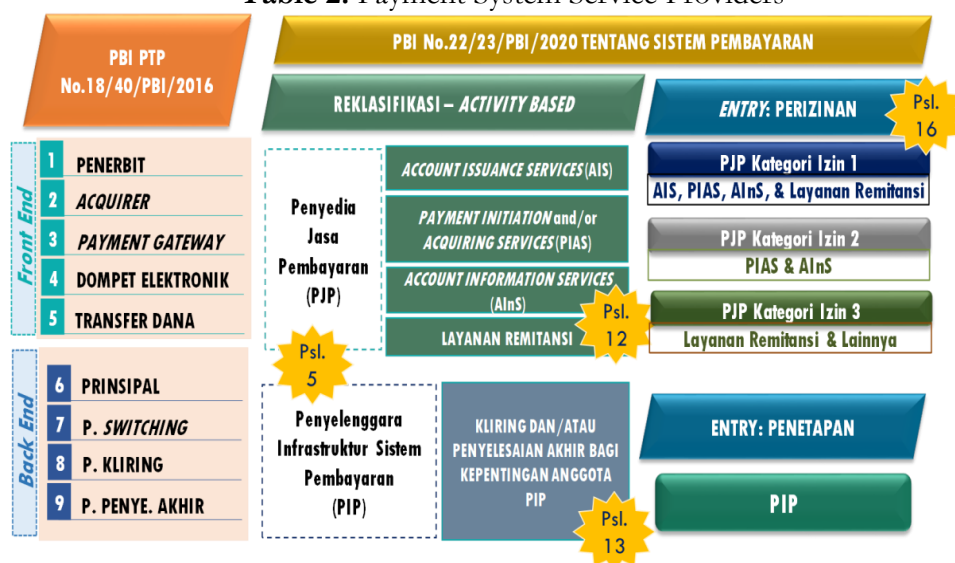
Electronic money itself is categorized into two types, namely Electronic Money where the identity data of the Holder is registered and registered with the Issuer (*registered*); and Electronic Money whose holder's identity data is not registered and not registered with the Issuer (*unregistered*). The category determines the facilities that can be provided by the Issuer (Article 1A). *E-Money* is categorized as Digital Payment in Fintech. Publishers only apply for permits without prior registration such as organizers.

3.8 Licensing by Bank Indonesia

Bank Indonesia acts as the licensor to the Payment System Service Provider. Based on PBI No. 22/23/PBI/2020 concerning Payment Systems (PBI SP), payment system service providers consist of Payment Service Providers (PJP) and Payment System Infrastructure Providers (PIP). PJP which is a Bank or Non-Bank Institution that provides services to facilitate payment transactions to service users. PJP carries out activities including administration of Funding Sources, provision of Funding Sources of information, payment initiation and/or acquiring services, and remittance services. PIP is the party that organizes the infrastructure as a means that can be used to transfer funds for the benefit of its members. PIP carries out activities including clearing, and/or final settlement.

In addition to PBI SP, the implementation of payment system activities is also regulated in PBI No. 23/6/PBI/2021 concerning Payment Service Providers (PBI PJP) and PBI No. 23/7/PBI/2021 concerning Payment System Infrastructure Operators (PBI PIP) which comes into force on July 1, 2021. With the enactment of these provisions, a reclassification of payment system service providers has been carried out before July 1, 2021, which has an impact on conversion of licenses from previously owned permits to operator permits as regulated in PBI SP.

Table 2. Payment System Service Providers



Permits to PJP to carry out the activities as referred to in the provisions regarding the Payment System and PJP provisions are granted based on the category of permits, consisting of:

- 1) Permit category I (one), includes activities:
 - a) administration of Fund Sources;
 - b) providing information on Source of Funds;
 - c) payment initiation and/or acquiring services; and
 - d) remittance services.
- 2) Permit category II (two), includes activities:
 - a) providing information on Source of Funds; and
 - b) payment initiation and/or acquiring services.
- 3) Category III (three) permits, including activities:
 - a) remittance services; and/or
 - b) others as determined by Bank Indonesia

PIP is determined based on Bank Indonesia's assessment, taking into account the impact on financial system stability and/or public interest. The party applying for a license to become a PJP or a determination to become a PIP must meet the requirements for a permit or determination set by Bank Indonesia which includes aspects of institutional, capital and financial, risk management, and information system capabilities.

The procedures for licensing and stipulation go through the following stages:

- 1) Before applying for a license as a PJP or determination as a PIP, the PJP/PIP candidate must attend a *Pre-Consultative Meeting* first. The purpose of the *Pre-Consultative Meeting* is to conduct an assessment of the suitability of the business model that will be carried out by the PJP/PIP candidate with the proposed permit/stipulation and an assessment of the readiness of the document in accordance with the licensing document requirements.
- 2) Furthermore, the PJP/PIP candidate must also conduct an independent assessment (self-assessment) to ensure that all permit requirements as stipulated in the payment system provisions and PJP/PIP provisions as well as the permit requirements or stipulation requirements to be submitted have been met.
- 3) Access the Bank Indonesia e-Licensing application on the Bank Indonesia website (<https://www.bi.go.id/elicensing>). The *e-Licensing* application is a Bank Indonesia

licensing application so that prospective PJP/PIP can submit an application for a permit or application for determination online.

- 4) Applications for permits or stipulations to be submitted in the e-Licensing system must be submitted to Bank Indonesia for applications for PJP licenses for license category one and PJP for license category two, as well as determination of PIP. The application for the third license category of PJP shall be submitted to the regional Bank Indonesia Representative Office.

Table 3. Processing Flow of Licensing for Financial System Service Providers



- 1) Submission of a request for a pre-consultative meeting by a prospective PJP or PIP can be submitted via <https://www.bi.go.id/elicensing> for an assessment of the business model to be carried out and/or initial discussion of requirements including document requirements to obtain permit as PJP or determination as PIP.
- 2) If the business model of a PJP or PIP candidate is declared to meet the definition of PJP or PIP, then the PJP or PIP candidate can submit an application for a permit as a PJP or determination as a PIP in writing accompanied by supporting documents through the electronic system by accessing [https://www.bi .go.id/elicensing](https://www.bi.go.id/elicensing).
 - a) Administrative research is carried out no later than 5 (five) working days from the receipt of the permit/stipulation application on the eLicensing application;
 - b) The results of the administrative research are:
 - (1) The application letter and permit/stipulation requirement documents are declared complete and administratively correct; or
 - (2) The application letter and permit/stipulation requirement documents are declared incomplete and/or administratively incorrect.
 - c) If the application letter and the required permit/stipulation documents submitted are incomplete and/or not administratively correct, the PJP/PIP candidate must submit the corrected documents no later than 14 (fourteen) calendar days from the notification that the documents are incomplete and/or not yet completed. administratively correct submitted.

- d) Licensing Front Office rejects the application for a permit/stipulation in terms of completeness, repair and/or renewal of the said required documents
- (1) it is not submitted within a period of no later than 14 calendar days as referred to in letter c;
- (2) it has been submitted by the time limit as referred to in letter c but it is not complete and/or administratively correct
 - e) Prospective PJP/PIP can only apply for the same permit after 30 (thirty) calendar days from the rejection of the permit application.
- 3) The stages of analyzing the substance of the application are carried out in accordance with the category of permits and activities proposed. Substance analysis is carried out on 4 (four) aspects, namely institutional, capital and financial aspects, risk management, and information system capabilities, with reference to the provisions concerning Payment Service Providers and/or Payment System Infrastructure Providers. Substance analysis is carried out with the following mechanisms and stages:
 - a) Bank Indonesia shall conduct a substance analysis within a maximum period of 20 (twenty) working days after the documents are received and declared complete by the licensing front office;
 - b) In the event that the required documents do not match, the PJP/PIP candidate must submit the corrected document within a maximum period of 40 (forty) working days;
 - c) Bank Indonesia shall conduct a substance analysis of the document revision within a maximum period of 20 (twenty) working days after the PJP candidate or PIP candidate submits the revision of the required documents;
 - d) Bank Indonesia rejects the application for a permit or determination at the substance analysis stage in the event that:
 - (1) based on the results of the analysis of the substance of the revised document submitted, it is not appropriate;
 - (2) the corrective document is not submitted by the PJP/PIP candidate; or
 - (3) submission of repair documents beyond the stipulated time period
 - (4) After the PJP licensing research stage or PIP determination, Bank Indonesia conducts an on-site visit for PJP candidates or PIP candidates. Under certain conditions, Bank Indonesia may omit field inspections (on site visits) in the PJP licensing process or determination of PIP by requesting additional documents showing operational readiness as a substitute for on site visits.
 - (5) Bank Indonesia grants licenses or makes determinations based on the results of licensing research and on-site visits or results of licensing research and test results of developing Payment System technology innovations that are declared successful.

In the event that the application for a PJP candidate license or the application for determination of a PJP candidate is rejected, the PJP candidate or PIP candidate may re-apply for a permit application after 180 (one hundred and eighty) working days as of the date of the rejection letter from Bank Indonesia.

3.9 Supervision by Bank Indonesia

Regarding payment system *fintech*, the regulation and supervision are under the authority of BI. As regulated in Law no. 23 of 1999 concerning Bank Indonesia which was last amended by Law no. 6 of 2009, one of the tasks and authorities of BI is to regulate and maintain the smooth running of the payment system. This is confirmed in Bank Indonesia Regulation No.19/12/PBI/2017 concerning the Implementation of Financial Technology. Bank Indonesia supervises Payment System Service Providers that have obtained a license from Bank Indonesia.

If necessary, Bank Indonesia shall supervise the Supporting Providers in cooperation with the Payment System Service Providers. Bank Indonesia may assign other parties for and on behalf of Bank Indonesia to carry out direct supervision. The supervision carried out by Bank Indonesia in principle is to monitor the suitability of the Payment System Service Providers in compliance with the provisions for the implementation of payment transaction processing as regulated by PBI Number 18/40/PBI/2016 Year 2016.

Payment System Service Providers are prohibited from processing payment transactions using virtual currency, misusing customer data and information as well as payment transaction data and information, and/or owning and/or managing a value that can be equated with the value of money that can be used outside the scope of the System Service Provider. the payment in question. In the event that Bank Indonesia's supervision results indicate that the Payment System Service Provider is unable to properly carry out payment system service activities, Bank Indonesia may request the Payment System Service Provider to do or not do something, temporarily suspend part or all of the payment system service activities, cancel or revoke the license or approval that has been given to the Payment System Service Provider.

3.10 Analysis Theory of the Law of Convergence in Regulation Licensing and Supervision *Financial technology (Fintech)* in Indonesia

The development and change of people's lives in the era of the industrial revolution 4.0 is marked by the transition of civilization to an increasingly rational and modern society. According to Max Weber, the level of rationality of a society will determine the color of law in that society. The development of an increasingly rational society today, of course, must be accompanied by legal policies rules of law that are in line with the needs and interests of an increasingly rational society. Legal issues in Settings licensing and supervision *fintech* in Indonesia today this have potential conflicts (clashes) of legal norms between regulations issued by BI and OJK regarding *fintech business activities* in Indonesia.

Legislation regarding *fintech business activities* in Indonesia issued by BI and OJK, among others, regulations on financial technology (*fintech*), *fintech* investment (*equity*) *crowdfunding*), accounts payable and/or borrowing (*peer to peer lending*), as well as digital money (*e - money*), if not coordinated and regulated properly starting from the issue of making regulations licensing and supervision has the potential to cause legal conflicts (conflicts) caused by the subjectivity of each institution (BI and OJK) or other reasons. It is proven to this day that there are still many problems that occur in the practice so that cause loss to society.

The issue of registering and obtaining permits for the establishment of *fintech companies* through OJK RI and BI is also a separate problem for business actors, because each regulator has different rules. OJK RI prioritizes licensing and looks at the company's operations for one year running and if along the way the company does not meet the eligibility requirements, the permit will be revoked. Meanwhile, BI requires a *pre-audit, meaning that* the company that will operate will be audited first. The audit process takes a long time so that the company cannot run immediately just because it meets the requirements of the audit process. The registration and processing of establishment permits that must be carried out at these two (2) institutions also has the potential to create uncertainty, repetition and overlapping of regulations made by BI and OJK RI. The problem will be even more complicated if it is related to the existing provisions in Law Number 11 of 2008 concerning Electronic Information and Transactions (ITE) which has been amended through Law Number 19 of 2016 concerning Amendments to Law Number 11 of 2008 concerning Electronic Information and Transactions (ITE). with the obligation of the

Electronic System Operator (PSE) to obtain a permit from the Ministry of Communication and Information (Kemenkominfo).

The need for laws and regulations as happened in ICT that is able to accommodate and facilitate 4C convergence is currently very important and urgent to be carried out immediately in regulating *fintech licensing and supervision* in Indonesia. The position and function of the Government as the holder of the policy authority is very crucial to monitor, supervise, facilitate and create a competitive system within the framework of regulatory convergence. The Government's role includes:

1. Preventing business actors who own large capital from abusing their dominant position which can drive away the competitive climate.
2. *fintech* business actors to continue to provide USO services.
3. Encouraging innovation in creating national competitiveness in the *fintech business sector* in Indonesia.
4. Protect the interests of consumers (public).

The regulatory structure of convergence of *fintech business regulations* needs to consider whether there will be changes by forming a new legislation that summarizes all related regulations or harmonizing existing regulations. If the change is in the form of harmonization, it is still necessary to consider whether to carry out a thorough revision of the previous regulation. The policy of legal harmonization must still consider, *firstly*, harmonization with partial amendments (revisions) as needed. *Second*, harmonization with the making of new laws and regulations. The choice of legal harmonization practically allows achieving several conveniences, including:

1. *Managing Legal Risk*; The purpose of legal harmonization is to ensure the realization of legal certainty, especially for practitioners so as to minimize legal problems that will arise in the field due to differences in regulations.
2. *Improving Legal Rules*; improve the regulation (regulation) so that it is more effective and can be applied by all parties.
3. *Lower costs*; It is hoped that the policy of legal harmonization will reduce costs and achieve efficiency for business actors and especially for the community.

IV. Conclusion

From the discussion above, several conclusions can be drawn, including:

1. The theory of convergence law is adapted from the concept of 4C technology convergence (communication, *computing, content and community*), namely the availability of various types of different technologies, having almost the same function, where the technology is synergistically integrated between voice, data and video services that can be processed and exchanged using only one type of network.
2. The regulatory structure of convergence of *fintech business regulations* needs to consider whether there will be changes by forming a new legislation that summarizes all related regulations or harmonizing existing regulations. If the change is in the form of harmonization, it is still necessary to consider whether to carry out a thorough revision of the previous regulation. The policy of legal harmonization must still consider, first, harmonization with partial amendments (revisions) as needed. Second, harmonization with the making of new laws and regulations.

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