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Crypto, fintech, and Gen-Z in sharia capital market: A systematic review (2015–2025)

Bagus Dirly Permana [1*] **Taufiqur Rahman** [2]

[1,2] Trunojoyo University of Madura, Bangkalan, 69162, East Java, Indonesia

Email
bagusdirly16122003@gmail.com [*], taufiqur.rahman@trunojoyo.ac.id

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Abstract

The digital transformation has significantly impacted the global financial landscape, including the Islamic capital market. This study systematically reviews literature from 2015 to 2025 on the integration of cryptocurrency, Islamic fintech, and Generation Z (Gen-Z) financial behavior in driving the transformation of the Sharia-compliant capital market. Using a Systematic Literature Review (SLR) approach based on PRISMA protocols, 20 relevant articles were identified from Scopus, Web of Science, Google Scholar, DOAJ, and SSRN. The findings highlight that Gen-Z, as digital natives, tend to favor technology-based financial services, particularly those aligned with Islamic values. Islamic fintech has grown through halal P2P lending, Islamic crowdfunding, and digital sukuk. Conversely, cryptocurrency remains controversial due to concerns over gharar and maysir, although asset-backed stablecoins show halal potential. The study identifies literature gaps such as limited integration between variables, lack of global Shariah standards for digital assets, and dominance of descriptive rather than empirical research. Theoretically, the study expands the Technology Acceptance Model (TAM) within a digital Islamic finance framework. Practically, it provides recommendations for regulators, practitioners, and scholars to design Shariah-compliant, inclusive, and tech-adaptive financial solutions aligned with Gen-Z behavior and the principles of maqashid shariah. This research emphasizes ethical innovation as key to the future of the Islamic capital market.

Keywords: Islamic capital market, Islamic fintech, halal cryptocurrency, Gen-Z, digital Islamic economy, Technology Acceptance Model

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1. Introduction

The digital technology revolution has brought fundamental changes across various aspects of life, including within the realm of global finance. The rapid development of technologies such as blockchain, cryptocurrency, and financial technology (fintech) has driven a shift from conventional financial transaction systems toward a more rapid, transparent, and inclusive ecosystem. These innovations have also given rise to new business models within the Islamic financial industry, particularly in the development of the Islamic capital market. In Indonesia, the growth of Islamic fintech has shown a positive trend, with asset values exceeding IDR 74 trillion by the end of 2020 (Trimulato et al., 2022), indicating a high level of technology acceptance within Shariah-compliant financial systems. Nevertheless, this dynamic is not without significant challenges, including compliance with Shariah principles, regulatory uncertainty, and consumer protection concerns.

The Islamic digital economy represents a fusion of Islamic economic principles with the advancement of modern digital technologies. Innovations such as fintech, blockchain, and crypto-assets are interpreted as tools to promote inclusive access to Shariah-compliant financial services, provided that they remain consistent with core values such as justice (‘adl), public interest (maslahah), and the prohibition of riba (usury) and gharar (excessive uncertainty). According to Fithria (2022) and Rabbani et al. (2020), the synergy between technology and Shariah principles enables greater efficiency and affordability in financial services, especially for previously unbanked populations. Trimulato et al. (2022) further highlight the role of Islamic fintech in supporting sustainable development goals (SDGs) through the digitalization of the Islamic economy. However, Harahap et al. (2022) emphasize the need for clear and comprehensive regulations for instruments like cryptocurrency, which remain subject to speculation and uncertainty under Islamic jurisprudence.

Moreover, the emergence of Generation Z (Gen-Z) as key players in the digital ecosystem has created new dynamics in investment practices and financial behavior. Known as digital natives, Gen-Z tends to adapt quickly to technological innovations and exhibits a strong interest in digital and decentralized financial instruments, including crypto-assets (Rabbani et al., 2020; Unal et al., 2022). This condition presents a strategic opportunity for the Islamic capital market to reach younger investor segments through approaches aligned with their digital preferences. However, instruments such as cryptocurrency remain controversial from a Shariah perspective due to elements of gharar (uncertainty) and maysir (speculation/gambling) (Harahap et al., 2022; Iman & Samsuri, 2022), necessitating a critical and comprehensive assessment of their permissibility and compatibility with Islamic law.

To understand Gen-Z’s behavioral tendencies in adopting fintech and crypto-based financial services, the Technology Acceptance Model (TAM) is particularly relevant. This model posits that the adoption of a particular technology is primarily influenced by two factors: perceived usefulness and perceived ease of use. As digital natives, Gen-Z exhibits high responsiveness to decentralized innovations such as blockchain (Unal et al., 2022). Haridan et al. (2020) argue that fostering Gen-Z’s involvement in Islamic finance requires both educational strategies and strong regulatory frameworks. Applying the TAM framework is thus essential for designing effective technological adoption strategies aligned with Shariah principles.

These developments underscore the urgency for the Islamic capital market to adapt to the digital era—not only technologically, but also in response to shifts in social behavior and investor preferences. Innovation within this context includes the integration of Shariah-compliant smart contracts, halal asset tokenization, and the use of blockchain in issuing digital sukuk. Rabbani et al. (2020) assert that the primary challenge in Islamic financial innovation lies in maintaining Shariah integrity while remaining competitive. Iman and Samsuri (2022) suggest that Shariah-compliant cryptocurrencies could serve as viable halal investment alternatives, provided they are supported by strict regulatory systems. Additionally, Syarifuddin et al. (2021) affirm the strategic role of Islamic fintech in promoting digital economic empowerment, particularly for micro, small, and medium-sized enterprises (MSMEs).

Despite these prospects, new challenges continue to emerge, particularly in assessing the Shariah validity of transactions conducted via crypto-assets or fintech platforms. Ishak et al. (2022) stress the importance of prudence and Shariah compliance as foundational criteria for fintech acceptance among Muslim investors. Fithria (2022) refers to DSN-MUI Fatwa No. 117/DSN-MUI/II/2018 as a basis for implementing Shariah contracts in peer-to-peer (P2P) lending fintech schemes. Meanwhile, Harahap et al. (2022) and Iman & Samsuri (2022) identify issues such as price volatility, unclear underlying assets, and the absence of supervisory institutions as major obstacles. Therefore, Shariah principles must remain the evaluative framework in assessing any form of digital financial instruments to ensure alignment with the objectives of Islamic law (maqashid al-shariah).

Unfortunately, based on previous literature (Fithria, 2022; Haridan et al., 2020), no studies have systematically integrated the dimensions of cryptocurrency, fintech, and Gen-Z behavior within the context of Islamic capital market transformation, whether in terms of trends, challenges, or strategic prospects. This

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gap forms the foundation for the present study, which aims to conduct a systematic literature review discussing the interrelationships among crypto, fintech, and Gen-Z behavior within the Islamic capital market over the past decade (2015–2025). The study seeks to map the current research landscape, identify research gaps, and offer theoretical contributions to the growing literature on digital Islamic finance. From a practical perspective, the findings are expected to serve as a conceptual reference for regulators, industry practitioners, and academics in formulating innovative, inclusive, and adaptive strategies.

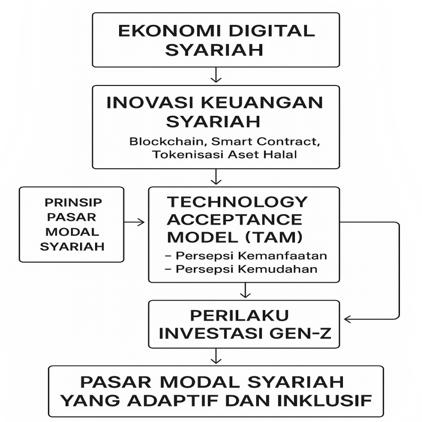

Figure 1. Conseptual Framework

2. Research Design and Method

This study adopts a qualitative approach by applying the Systematic Literature Review (SLR) method to comprehensively examine the literature that discusses the relationship between crypto, fintech, Generation Z (Gen-Z), and the Islamic capital market in the last decade (2015–2025). This approach was chosen because of its ability to provide a comprehensive understanding of the phenomenon of digital transformation in Islamic finance through multidisciplinary and global exploration. The SLR method also provides a systematic framework in formulating concept maps and conducting synthesis analysis of various empirical and conceptual research results that have been published (Rabbani et al., 2020; Unal et al., 2022).

To maintain transparency and accountability of the review process, this study follows the PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) guidelines. The PRISMA protocol is used in the identification, evaluation, and synthesis stages of library sources that meet certain selection criteria. Literature search was conducted through five main academic databases, namely Scopus, Web of Science, Google Scholar, DOAJ, and SSRN. The keywords used were systematically combined, including terms such as: "Islamic capital market", "sharia fintech", "halal crypto", "Gen-Z financial behavior", "blockchain in Islamic finance", and "digital sharia economy".

Literature selection criteria

Inclusive criteria used in the literature screening include: 1) articles are written in English or Indonesian, 2) published between 2015 and 2025, 3) in the form of scientific journal articles indexed by Scopus or Web of Science, as well as relevant academic proceedings, and 4) focus on the topics of crypto, sharia fintech, Gen-Z financial behavior, and the sharia capital market. While the exclusive criteria include: 1) non-academic writings such as blogs, opinion articles, and popular news, 2) studies that are irrelevant to the Islamic economic context, and 3) duplicate articles that come from more than one database.

Analysis procedure

The literature selection process follows four main stages based on the PRISMA flowchart:

identification, screening, eligibility, and final inclusivity. Eligible articles were analyzed using a qualitative thematic synthesis approach. Each document is classified based on four main thematic categories: 1) crypto transformation and controversy in a sharia perspective, 2) the development of sharia financial technology (sharia fintech), 3) characteristics and tendencies of Gen-Z's financial behavior, and 4) the dynamics and adaptation of the Islamic capital market in the era of digitalization.

The thematic synthesis technique is used to identify thematic patterns that emerge from selected literature, then analyze in depth based on the theoretical framework that has been described earlier. The findings of this analysis are presented in the form of a conceptual narrative that describes the interaction between concepts and their impact on the development of the digital Islamic capital market.

The application of this method allows researchers to respond to research questions systematically and comprehensively, while building a conceptual foundation that can be used as a strategic reference in the formulation of a digital technology-based Islamic capital market transformation model (Fithria, 2022; Haridan et al., 2020)

3. Results and Discussion

The results of the study of 20 selected articles indicate a significant increase in the number of publications during the period 2015–2025, with the highest spike occurring after 2020. This increase can be attributed to two main factors: the increasing urgency of strengthening the digital-based Islamic financial system, and the growing Gen-Z population as a digital native group active in investment activities.

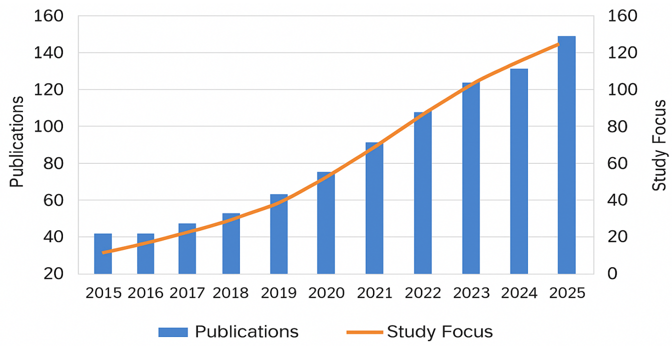

Figure 2. Trends in the Number of Publications Related to Crypto, Fintech, Gen-Z, and the Sharia Capital Market (2015–2025)

The years 2022 and 2023 are the peak of scientific productivity in this topic, which is reflected in the many publications related to the integration of blockchain technology, sharia-based digital payments, and sharia compliance in the fintech system (Haridan et al., 2020; Rabbani et al., 2020; Unal et al., 2022).

Thematic Classification

Table 1. Thematic Classification of Literature Related to Sharia Financial Digitalization

Main Themes	Main Subtopics	Key References
Crypto and Sharia	Gharar, maysir, stablecoin, sharia law	Harahap et al. (2022), Rabbani et al. (2020)
Sharia Fintech	P2P lending halal, crowdfunding, digital sukuk	Fithria (2022), Trimulato et al. (2022)
Gen-Z and Investment Behavior	User experience, robo-advisory, sharia applications	Haridan et al. (2020), Syarifuddin et al. (2021)
Sharia Capital Market Integration	Tokenization of halal assets, smart contracts, blockchain-based sukuk	Unal & Aysan (2022), Rabbani et al. (2020)

Crypto assets and sharia perspectives: potential and ethical issues

Crypto is becoming the most complex topic in Islamic financial discourse. Several studies suggest that digital assets such as Bitcoin contain elements of uncertainty (*gharar*) and speculation (*maysir*) (Harahap et al., 2022; Nur Iman & Samsuri, 2022). Nevertheless, a stablecoin-based approach backed by real assets emerged as a potential solution to minimize the element of uncertainty (Rabbani et al., 2020). The main challenge is the absence of comprehensive international sharia standards related to these digital assets, thus creating legal and ethical ambiguity in the sharia capital market.

Sharia fintech innovations: crowdfunding, robo-advisory, digital *sukuk*, and P2P lending

Sharia fintech has shown significant growth, especially in the form of halal peer-to-peer lending services, crowdfunding based on *mudharabah*/*musyarakah* contracts, and digital *sukuk* (Fithria, 2022; Trimulato et al., 2022). This innovation enhances the inclusion of Islamic finance and enables real-time transaction execution while upholding Islamic principles. DSN-MUI Fatwa No. 117/DSN-MUI/II/2018 is an important juridical foothold for the development of fintech platforms that are in line with sharia (Ishak et al., 2022).

Gen-Z and technology-based investment preferences

Generation Z, who is known for their proximity to technology, tends to prioritize ease of access, interactive interfaces, and transparency in choosing digital sharia investment instruments. They show interest in financial applications that support the principle of halal screening and are equipped with robo-advisory (Haridan et al., 2020; Syarifuddin et al., 2021). This phenomenon strengthens the relevance of the application of the Technology Acceptance Model (TAM) in understanding the pattern of technology adoption by Gen-Z in the context of Islamic finance.

Digital Transformation of Sharia Capital Market

The digital transformation of the Islamic capital market requires the active role of regulators such as OJK and DSN-MUI, as well as strategic collaboration between industry players and academics. Several initiatives such as the tokenization of halal assets, the implementation of sharia-based smart contracts, and the development of blockchain-based sukuk have begun to be tested as solutions to improve the efficiency and accountability of the Islamic financial system (Rabbani et al., 2020; Unal & Aysan, 2022).

Research Gaps

Some of the gaps in the literature are identified as follows: 1) the lack of studies that holistically integrate crypto, fintech, and Gen-Z behavior within the framework of the Islamic capital market, 2) the absence of structured and uniform global sharia standards related to crypto assets and other digital instruments, and 3) the dominance of descriptive approaches in the literature, as well as the limitations of the use of quantitative or empirical models in measuring Gen-Z's preference for technology-based Islamic financial products.

Theoretical and Practical Implications

Theoretical implication

Conceptually, this study expands the application of the Technology Acceptance Model (TAM) in the context of the digital Islamic economy. The integration between technology adoption theory and sharia principles has resulted in a new approach in addressing the challenges of digital transformation in Islamic finance.

Practical implications

The findings of this study have high applicative value, including: 1) providing adaptive policy direction for authorities such as OJK and DSN-MUI in responding to the digitalization of Islamic finance, 2) it is a reference for Islamic fintech startups in designing products that suit the characteristics and needs of Gen-Z, and 3) it is an academic reference in the development of conceptual models that combine the dimensions of sharia, technology, and digital consumer behavior in an interdisciplinary manner.

4. Conclusions

This research reveals that the transformation of the Islamic capital market in the digital era is greatly influenced by the integration of crypto technology, the development of Islamic fintech, and the characteristics of Gen-Z as digital natives who are adaptive to financial technology. The results of the Systematic Literature Review (SLR) from the past two decades show that technology-based financial innovation increasingly demands adjustments to sharia law for new products such as halal stablecoins, sharia crowdfunding, and digital sukuk. These findings strengthen the theory of technology adoption (TAM) and Islamic finance innovation in the context of Gen-Z behavior, and affirm the urgency of digitalization in accordance with sharia principles. The academic contribution of this study lies in the comprehensive mapping of the literature and the identification of research gaps in the integration between crypto-fintech and Islamic capital markets. However, the main limitations lie in the limited scope of literature sources in open access databases and the limitations of indexing some key articles, which opens up opportunities for further exploration through empirical studies and triangulative approaches.

Based on the findings of this study, it is suggested that regulators, practitioners, and academics increase collaboration in formulating the standardization of fatwas and sharia legal frameworks that are adaptive to digital financial technologies such as cryptocurrencies and sharia fintech platforms. Capital market practitioners need to take advantage of Gen-Z's digital tendency to design sharia investment products that are more inclusive and user-friendly. For further research development, it is recommended to conduct field approaches such as qualitative studies based on in-depth interviews or focus group discussions (FGDs) to validate theoretical findings, as well as develop conceptual models that integrate Gen-Z behavioral variables, sharia principles, and financial technology dynamics in the context of the Islamic capital market.

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