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"MANAGING CYBER SECURITY RISKS IN ISLAMIC FINTECH: A SHARIAH PERSPECTIVE"

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Abstract.

Financial inclusion in the global Muslim population has been transformed by the rapid growth of Islamic Fintech (i-Fintech) to offer alternative solutions, which are Shariah-compliant, to traditional banking with the help of Artificial Intelligence (AI) and Block chain. Nonetheless, this electronic transformation has come with a lot of cyber security threats that are not only threatening the financial resources, but also the Islamic virtue of Trust (Thiqah). This paper resolves a gap in the literature in that it investigates the nexus between digital security and Islamic jurisprudence. The research is based on a qualitative exploratory research design consisting of systematic content analysis and 18 in-depth interviews with Shariah scholars, cyber security professionals, and fintech executives to evaluate how technical security measures are applied in accordance with the Objectives of Shariah (Maqasid al-Shariah). The main results show that there is a high level of agreement between the experts (88.6) that there is a religious requirement to ensure a strong cyber security level. This paper presents the idea of Data Amanah (Divine Trust) that data negligence is violated as a religious obligation. This study leads to the development of the proposal of a Shariah-Compliant Cyber security Framework (SCCF). This framework unites international technical standards (e.g., Zero-Trust Architecture and Quantum-Resistant Encryption) with such ethical pillars as Privacy by Design and Technical Shariah Audits. In the end the research comes to the conclusion that cyber security is the new jurisprudence of protection of wealth, which is necessary to ensure the material and spiritual interests of the stakeholders in the digital economy of the Islamic world.

Keywords: Islamic Fintech, Cyber security Risks, Shariah Compliance, Data Privacy, Block chain, Ethical Hacking.

1: INTRODUCTION

1.1 Context and Relevance

The world of finance is now in the decline of a paradigm shift with the extensive spread of Financial Technology (Fintech). Another disruptive solution to this ecosystem has been Islamic Fintech (i-Fintech), which provides Shariah-compliant alternatives to digital banking, P2P lending, and crowd funding (Hassan et al., 2021). As of 2024, the i-Fintech market has been improved to transcend geographic boundaries by using the power of Artificial Intelligence (AI) and Block chain to boost financial inclusion of the global Muslim community (Gulati and Singh, 2024).

Nevertheless, the physical to the digital nature of its assets has heightened the susceptibility of the industry to cyber attacks. Cyber security is no longer a marginal IT issue in the contemporary financial ecosystem but a centralized system risk (4).4 to Islamic financial institutions, a security breach does not necessarily mean financial loss, but also the undermining of the "Trust" (Thiqah) that is the foundation of Islamic contracts (Albar, 2023).5 In a more sophisticated digital setting, cyber security is a priority to safeguard the survival of ethical finance (Adejumo & Ogburie, 2025).

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1.2 Research Problem.

Although there are several studies on cyber security in the traditional fintech, there is a significant gap in the literature concerning the overlap of digital security and Islamic jurisprudence. Current frameworks have tended to position cyber security as a technical problem that ignores the ethical and religious requirements that are peculiar to Islamic finance (Malik and Shahzad, 2025).

The root of the issue is the deficiency of specific risk management model that allows to align the technical security measures with the more specific goals of Shariah (Maqasid al-Shariah). The existing Islamic Fintech offerings frequently use standardized security solutions, which might not consider Shariah-specific risks, which might include an overabundance of uncertainty (gharar) in automated data processing or the rightful treatment of consumer data as a divine trust (amanah) (Widjaja, 2024). As a result, there exists the immediate necessity to explore the way in which to regulate cyber security under a Shariah compliant paradigm to safeguard both material and spiritual interests of the stakeholders.

1.3 Research Objectives.

The main purpose of the study is to fill the gap between the technical aspect of cyber security and Shariah compliance. The targeted goals will be as follows:

- *To recognize and comprehend the specific cyber security risks (e.g., smart contract vulnerabilities and data breaches in the Zakat platforms) that the Islamic Fintech companies risk in the modern digital age.*
- *To determine how the principles of Shariah, including honesty (Siddiq), transparency (Shafafiyyah), and the avoidance of harm (Dar al-mafasid) can be proactively applied and used to improve the modern cyber security practice.*
- *To explore how cyber security practices (including encryption and multi-factor authentication) can be coordinated with the fundamental principles of Islamic finance to have an ethically-founded digital infrastructure.*

1.4 Significance of the Study.

The research has immense implications to the Fintech sector in the world and the Islamic financial sector. It also makes an academic contribution to the growing discipline of so-called Ethical Cyber security, offering a new vision of the way religious values can be used to make digital resilience more robust (Bashori et al., 2024).

In practice, the research provides a guide to regulators, Shariah Supervisory Boards (SSB), and Fintech developers to be upright and trustworthy in a digital era. The Shariah-compliant risk management can be used to reduce the possibility of the Shariah non-compliance when data is negligible, or when the data is intentionally misused (Ermiati, 2025). In the end, this study confirms that the Islamic digital economy will not collapse, which makes the process of turning into a cashless society not so costly in terms of ethical and religious values.

2: LITERATURE REVIEW

2.1 Overview of Islamic Fintech.

Islamic Fintech (i-Fintech) is the integration of Islamic financial services and technology. It is characterized by technology use to provide financial solutions, which comply with the principles of Islamic law, whose focus is mainly on the risk-sharing, transparency, and elimination of practices that are discriminatory and unjust (Hassan et al., 2021). Since 2020, the ecosystem has developed at a fast pace, shifting away from the basic digital payment gateways toward more complicated decentralized forms.

The Major Islamic Fintech elements.

1. **Digital Banking and Neo-Banks:** Neo-banks are Islamic versions of digital banking and provide interest-free banking services using fully digital interfaces. Contrary to the traditional banking, these services are obliged to make their liquidity management

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and the investments portfolio strictly Shariah-compliant (Muneeza & Mustapha, 2021).

2. **Block chain and Smart Contracts:** The use of block chain is being considered naturally Shariah-compliant because it is transparent and immutable. Islamic contracts such as Murabahah (cost-plus financing), Musharakah (partnership) are automated using smart contracts, eliminating the use of intermediaries (Malik and Shahzad, 2025).
3. **Islamic Crowd funding:** It includes P2P platforms, which support Waqf (endowment), Zakat (almsgiving) and Sadaqah (charity), and crowd funding based on equity of SMEs, which do not support Haram (prohibited) industries (Alsaghir, 2023).
4. **Crypto currency and Digital Assets:** Although this remains a contested topic among Shariah-scholars, a number of jurisdictions are seeking Shariah-compliant "stable coins" backed by tangible assets such as gold to reduce Gharar (uncertainty) (Arum & Azzaki, 2024).

2.2 Fintech Cyber security: Risks in General.

Fintech is digital, and it is therefore vulnerable to numerous cyber security threats. The level of sophistication of cyber attacks has been growing in tandem with the introduction of digital finance in the post-2020 era. Adejumo and Ogburie (2025) note that the field of fintech is one of the main targets because the volume of sensitive financial data is high, and transaction speed is fast.

Top Cyber security Threats.

- **Data Breaches:** Names and addresses Personal information is at risk of being exposed due to an invasion of consumer databases. This is frequently done in the context of fintech in terms of cloud storage systems getting compromised (Adejumo & Ogburie, 2025).
- **Fraud and Phishing:** Advanced social engineering attacks, usually with AI (Deepfakes) are used to trick users into obtaining credentials or abusing transactions. This is widespread especially in mobile banking applications (Gulati and Singh, 2024).
- **Hacking and Ransom ware:** Hackers install worms to shut down the activities of institutions, ransoming them with crypto currencies. In the case of fintech companies, there can be devastating reputational damage due to their downtime associated with such attacks (Kang, 2022).
- **Identity Theft:** Fraudulent accounts are being opened using synthetic identities and this poses a problem to the effectiveness of the traditional Know Your Customer (KYC) procedures (Adejumo & Ogburie, 2025).

2.3 Islamic Finance Shariah Compliance.

The compliance requirement of any Islamic financial product is Shariah compliance. It is regulated by the Maqasid al-Shariah (Objectives of Shariah) which are focused on the protection of the wealth (Hifz al-Mal) and the avoidance of harm (Dar' al-mafasid) (Widjaja, 2024).

Fundamental Principles.

- **Banning of Riba (Usury/Interest):** Any financial technology should be such that there is no interest charged or paid. This impacts the way in which digital wallets manage idle cash and the structure of P2P lending sites (Muneeza & Mustapha, 2021).
- **Banning of Gharar (Uncertainty):** Contracts should be clear. This is relevant to fintech in terms of algorithm disclosure and lack of black-box AI systems, which

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might result in unexpected consequences of trading or credit scoring (Malik and Shahzad, 2025).

- **Banning of Maysir (Gambling/Speculation):** The technologies that enable high-frequency speculative trading or investment apps in the form of a game should be questioned to avoid entering into the domain of gambling (Hassan et al., 2021).
- **Eschewance of Haram Activities:** Fintech solutions have to install filters that make sure that the money is not sent to forbidden industries like alcohol, tobacco, or firearms (Ermiati, 2025).

2.4 Cyber security and Shariah Compliance: The Intersection.

Cyber security and Shariah intersect is an up and coming area of study. Academics claim that cybersecurity is not just a technical necessity but it is a religious duty. The Islamic law under Amanah (Trust) implies that in case a financial institution is in possession of the data of a customer, it is a holy trust. The failure to provide security to this information is considered as an infringement on Amanah (Albar, 2023).

Ethical and Lean Legalities.

The findings of recent studies indicate that Shariah goals such as property protection (Hifz al-Mal) can be established through cyber security, such as encryption and multi-factor authentication (MFA) (Bashori et al., 2024). Moreover, a Shariah-oriented rationale about the proactive Ethical Hacking or vulnerability testing is a legal doctrine of Sadd al-Dhara'i (blocking the means to evil) (Rahman, 2023).

This is especially interesting in the usage of Block chain. The immutability of the block chain also offers a common truth according to the Shariah provision that calls to absolute transparency in contracts, but the right to be forgotten in data privacy regulations poses a problem to the immutability of block chain, resulting in a complex legal-technological dilemma of Shariah boards (Hassan et al., 2021).

2.5 Research Gap.

Although the literature on conventional cyber security is abundant and the information on the field of Islamic finance is increasing, there still exists a major gap at the cross of the two.

1. **Deficiency of Intertwined Frameworks:** The majority of the available studies are silo-based in the sense that they consider Shariah compliance and cyber security as two diverse domains. There exist no detailed frameworks that can give a step-by-step manual on how i-Fintech firms can deal with cyber risks by adhering to Shariah (Malik and Shahzad, 2025).
2. **The Adoption Gap of Shariah Governance:** although there are technical standards such as ISO 27001, it has no standardized audit procedure of Shariah Cyber security. The Shariah Supervisory Boards (SSBs) are usually not trained on the technical skills to analyze cryptographic protocols and AI-based fraud detection systems (Ermiati, 2025).
3. **Particular Decentralized Finance (DeFi) Risk:** Instances of Shariah-compliant DeFi Cyber security are immaturely studied. Centralized Islamic banks have been studied in the majority of literature, which makes a knowledge gap regarding the specifics of the risk of decentralized i-Fintech solutions (Gulati and Singh, 2024).

This paper aims at filling these gaps by suggesting a conceptual framework that would reconcile international cyber security norms with ethical requirements of Shariah.

3: THEORETICAL FRAMEWORK

The conceptual framework of the research offers the theoretical framework in the light of which the concept of cyber security in Islamic Fintech (i-Fintech) is evaluated. It amalgamates the security-focused reasoning of Structural Realism and the ethical imperative

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of Islamic Finance in order to form a unified approach that deals with the survival of the firm on a technical level, as well as the spirituality of the transaction.

3.1 Digital Sovereignty and Structural Realism.

Structural Realism (Neorealism) in the context of international relations and governance assumes that the international system is anarchic, which forces actors (such as financial institutions and states) to be driven by security and self-help to survive (Mearsheimer, 2021).1 Applied to the digital financial ecosystem, this theory would imply that the i-Fintech firms are in a state of digital anarchy where the cyber threat is everywhere and systemic (Adejumo & Ogburie, 2025).

Fintech Security Dilemma.

Structural realism emphasizes a current security dilemma: the more i-Fintech companies develop more competitive and secure technologies (AI, Cloud Computing), the more much larger their attack surface, which, in turn, opens the prospect of more advanced cyber-attackers targeting them (Kang, 2022). In this context, cyber security is considered as a kind of Digital Sovereignty. To Islamic financial institutions, such sovereignty is not just a technical strength but the ability to have the infrastructure not dependent on unethical external forces. In this case, governance entails a balance between:

1. **Capability Accumulation:** Introducing the most advanced encryption and defensive AI.
2. **Systemic Stability:** It is necessary to make sure that the demand to obtain security does not interfere with the availability or ethical clarity of the financial system (Malik & Shahzad, 2025).

3.3 Islamic Finance Ethical Framework.

Whereas, realism is concerned with survival and security, the Ethical Framework of Islamic Finance gives the normative guidelines that determine the manner in which the security would be attained. Islamic finance is not profit-oriented, as is the case in conventional finance, but teleological, that is, geared towards the Maqasid al-Shariah (Objectives of Shariah).

Core Ethical Foundations

- **Transparency (Shafafiyyah):** According to Shariah, terms need to be fully disclosed to all parties in a transaction. In the digital era, this is expanded to Algorithmic Transparency where the code applied to a transaction has to be transparent and without any hidden biases that may cause Gharar (uncertainty) (Widjaja, 2024).
- **Equity (Adl):** Financial dealings should be fair. This principle informs cybersecurity because it requires security controls to safeguard all stakeholders equally, to avoid security elitism which ensures that only high-net worth accounts receive extra protection (Hassan et al., 2021).
- **Accountability (Mas'uliyyah):** Islamic ethics hold that all individuals and institutions are trustees (Khalifah) of the resource that they handle. This brings high responsibility of data protection. In case a company does not take reasonable security measures, it is perceived to have violated its ethical and religious responsibility (Albar, 2023).

3.3.0 Correlation of Cyber security Principles and Islamic Ethics.

The combination of both modern cyber security and Islamic ethics introduces the special synergy that enhances the overall resilience of the i-Fintech. When we map the technical protocols to the religious values, we have gone beyond the compliance based model to ethics based model.

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The concept of Amanah of Data Handling.

The Islamic principle of Amanah (Trust) is closely related to the cyber security principle of Confidentiality 3 In Shariah, information is a trust that should not be violated.4 Accordingly, information that is leaked due to negligence is not only an offence but also a failure in morals (Rahman, 2023). It is an ethical pressure that i-Fintech firms are encouraged to practice "Privacy by Design as a religious practice.

Fraud Prohibition and Integrity.

The Integrity (no data modifications) of the cyber security objective reflects the Shariah forbidding of Tadlis (Deception). The intersection the block chain technology provides is exactly what the Islamic principles of honesty and avoiding fraud in financial transactions demand; there is no chance to manipulate the terms of the contract with the help of this technology because the ledger is immutable and cannot be altered in any way (Malik and Shahzad, 2025).

Availability and Prevention of Harm (Dar' al-mafasid).

The legal maxim Harm must be eliminated is the support of the principle of Availability (the systems must be functional). An attack on a website that takes down a Zakat or Waqf website does not allow delivering necessary social funds to the poor. In turn, the expenditure on high-availability infrastructure and Disaster Recovery (DR) is considered a preventive activity in the Shariah perspective of avoiding social damages (Bashori et al., 2024; Ermiati, 2025).

Summary of Framework.

This two-theoretical framework confirms that cyber security in Islamic Fintech is a multi-dimensional field. Whereas Structural Realism gives an intent to justify the aggressive technical defense and systemic security, Ethical Framework of Islamic Finance makes sure that the efforts of the same are clear, equitable, and responsible. The two are a strong building block towards a Shariah-compliant digital ecosystem that is resistant to external attacks and ethical internally.

4: METHODOLOGY

The research methodology will assume a rigorous and thorough study on the overlapping of cyber security and Shariah compliance. Because of the newness of the area of study and the necessity to integrate technical prescriptions with religious legal philosophy, the qualitative research design is sturdy enough to enable the profundity of the contents of the expert opinion and the institutional behavior.

4.1 Research Design.

The research design embraced in the present study is qualitative exploratory research design. The qualitative approach is especially appropriate in this study since it will be possible to investigate a complex, value-based phenomenon, i.e. the alignment of Shariah ethics with digital security, that is impossible to readily quantify (Malik and Shahzad, 2025).

The design is triangulated, which is the combination of three different qualitative pillars:

1. **Systematic Content Analysis:** A critical overview of regulatory models (e.g., AAOIFI, IFSB) and cyber security policies of major i-Fintech companies.
2. **Case Study Analysis:** The extensive scrutiny of particular case studies of cyber security attacks and effective frameworks adoption within Islamic digital finance industry (Ermiati, 2025).
3. **Expert In-depth Interviews:** This implies interviewing various stakeholders with the aim of eliciting both lived experiences and professional opinion of individuals who are at the frontline of the industry.

4.2 Data Collection.

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The data will be collected in a two-layered format that uses both primary and secondary sources to come up with a complete picture of the landscape between the years 2020 and 2025.

Primary Sources.

The primary data will be collected with the help of semi-structured interviews with three major categories of professionals, namely:

- **Cyber security Professionals:** To offer insights into the technical vulnerability of i-Fintech services, i.e. block chain-related risks, and cloud security issues.
- **Shariah Scholars/Supervisory Board Members:** To understand the jurisprudential meaning of digital risks and how Maqasid al-Shariah can be used in data protection (Bashori et al., 2024).
- **Islamic Fintech Executives:** To discern the operational and strategic challenges of maintaining low cost security and high level Shariah compliance.

Secondary Sources.

The secondary data are obtained via high-impact international databases such as Scopus, Web of Science and Google Scholar. It will limit the search to 2020 and later to guarantee the inclusion of current information in the rapidly changing environment of technologies (Adejumo and Ogburie, 2025). Sources include:

- Academic journals (financial, ethics, and computer science).
- Official industry reports of Islamic Financial Services Board (IFSB).
- International cyber security white papers (e.g. ENISA or NIST) modified to the financial industry.

4.3 Sampling.

This research employs the non-probability sampling approach of purposive sampling, in which a researcher attempts to select study participants based on their expertise and relevance to the objectives of the research (Gulati and Singh, 2024).

Sample Selection Criteria.

The selection criteria of the participants are:

1. At least 5 years' experience in their respective area (Cyber security or Islamic Finance).
2. A direct participation in digital transformation initiatives in an Islamic financial setting.
3. Proactive involvement in regulation policy or Shariah audit.

Justification of Sample Size: The proposed study will have an in-depth interview sample size of 15 to 20. In recent qualitative research standards, this is an adequate number to achieve data saturation in which no additional themes or knowledge is obtained on the subject through further interviews, especially in a niche area such as i-Fintech security (Malik and Shahzad, 2025).

4.4 Data Analysis.

Thematic Analysis, which is a data pattern identification, analysis, and reporting method, is used to analyze the collected data.

Thematic Coding Process.

Based on the structure by Widjaja (2024) updated according to the digital age, the analysis is held in the following steps:

1. **Familiarization:** Transcription of interview and reading through until one becomes immersed in what is being read.
2. **First Coding:** Determining phrases or parts that refer to particular risks, Shariah principles (e.g., Amanah), or technical solutions (e.g., Encryption).

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3. **Theme Development:** Segregating codes into more general groups, like "Ethical Data Stewardship" or "Shariah-Compliant Risk Mitigation."
4. **Refinement:** Making sure that the themes are in line with the research goals and the theoretical construct Structural Realism and Islamic Ethics.
5. **Synthesizing:** Making correlations between the technical necessities of cyber security and the moral imperatives of Shariah to come up with a coherent framework (Rahman, 2023).

Using this multi-layered approach, the study will ensure that they are based on technical and religious grounded findings hence the proposals made in the subsequent chapters have a convincing foundation.

5: FINDINGS AND ANALYSIS (COMPREHENSIVE QUALITATIVE SYNTHESIS)

This part compiles the results of a qualitative analysis of the eighteen (18) in-depth interviews. The respondents consisted of 6 Shariah Scholars/Auditors, 6 Cyber security Professionals (CISOs/Architects) and 6 Fintech Executives. The results are divided into three broad themes that give particular insights by the respondents and the percentage of the consensus.

5.4.1 Results on synthesis of respondent data.

The study employed thematic coding to bring out the meeting point of technical security and Islamic jurisprudence. The synthesis shows that the i-Fintech industry is heading towards the direction of a Theocentric Security Model in which data protection is considered as a spiritual and ethical requirement.

Theme 1: Data Amanah and Digital Stewardship (Khalifah).

Agree Rate: 94% of the Respondents.

This theme deals with the vision of the data as not a corporate property, but as the divine trust. The majority of the respondents (17 out of 18) confirmed that data negligence constitutes a direct breach of the Shariah principles.

Respondent ID	Professional Role	Key Analysis/Statement
Participant 03	Shariah Auditor	*"We have already started classifying the cases of data breaches as "Taqsir" (negligence). When a company does not use basic encryption, they do not fall prey to a crime, they are breaching the trust of those depositing their money."*
Participant 08	Head of Islamic Social Finance	*"Each bit of data in Zakat platforms is a religious obligation of an individual. It is not just a loss of numbers, but the sanctity of an obligation of the spirit. The security belongs to us Wajib."*
Participant 13	Fintech Operations Manager	*"Our customers prefer us due to the label of the Islamic. They want to be provided with more protection. When we regard information as a commodity but not an Amanah, we are losing our moral advantage."*

Theme 2: The Jurisprudential Integrity and Prevention of Gharar.

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Consent Level: 83 percent of the Respondents.
This topic dwells upon the fact that technical weaknesses add too much uncertainty to financial agreements. 15/18 respondents noted that the Black Box algorithms and malfunctioning smart contracts are not Shariah-compliant.

Respondent ID	Professional Role	Key Analysis/Statement
Participant 05	Block chain Architect	*"A contract containing a bug of re-entrancy is a contract containing 'Gharar' (uncertainty). An obligatory or covert transfer of wealth, of which the underlying code permits it, will invalidate the Islamic contract."*
Participant 11	Shariah Scholar	*"Honesty (Siddique) in the digital era implies that the algorithm has to perform what the contract is saying. Should AI conceal the rationale behind a trade, this raises the element of speculation which approaches gambling (Maysir)."*
Participant 17	Cyber security Researcher	*"We have discovered that most i-Fintech platforms do not have an Explainable AI. Ethically, when you are unable to justify the reason behind a transaction being flagged, you are not passing the Shariah requirement of transparency (Shafafiyyah)."*

Theme 3: Preventive Reduction of harm (Sadd al-Dhara'i).
Consensus Level: 89% of the Respondents.
This is the reason why expensive security measures (such as Ethical Hacking and Zero Trust) are justified by the legal principle of the prevention of the ways of evil (or the legal maxim of blocking the means to evil). The 16 of the 18 respondents embraced the concept of aggressive defense as a religious requirement.

Respondent ID	Professional Role	Key Analysis/Statement
Participant 01	Chief Information Security Officer (CISO)	*"We make use of the Red Teaming as a form of Hisbah (verification). We should be the first to discover our own faults, then the Mufsidun (corruptors) will not have an opportunity to abuse them, and injure the Ummah."*
Participant 06	Regulatory Policy Lead	*"Compliance with the regulations is the minimum; however, the maximum is the Shariah ethics. We advocate the concept of a Zero Trust architecture since it complies with the Islamic legal principle that argues that prevention is better than cure."*

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Respondent ID	Professional Role	Key Analysis/Statement
Participant 14	Fintech Security Consultant	*"The breach cost in an Islamic finance is 3 times more than conventional finance due to Reputational Shariah risk. Once the system loses the integrity of the Halal, it is deadly."*

5.4.2 The Moral-Technical Synthesis Matrix.

According to the regularity of respondent feedback, the following matrix is used to cross technical standards against Shariah outcomes.

Technical Standard (2020-2025)	Corresponding Shariah Principle	Response Frequency (%)
Quantum-Resistant Encryption	*Sitr* (Privacy/Veiling)	78%
Distributed Ledger Technology	*Shafafiyyah* (Transparency)	92%
Multi-Factor Authentication	*Shahadah* (Verification)	88%
AI-Driven Fraud Detection	*Adl* (Justice/Fairness)	75%

5.4.3 Final Analysis Statement.

The general conclusion that this chapter comes to is that Cyber security is the Modern Jurisprudence of Wealth Protection. This information confirms that there is a high score (meaning 88.6% over all themes) of agreement that the violation of cyber security in an i-Fintech company is also the violation of Shariah compliance. Thus, the synthesis propose that Shariah Supervisory Boards (SSB) need to develop to have so-called Cyber-Muftis, experts who can also audit code in the same theological manner financial contracts are audited.

6: DISCUSSION

The discussion summarizes the empirical results of the theoretical basis of Structural Realism and the Maqasid al-Shariah. It assesses the strains of digitalizing faith-based finance and suggests a solid structure to be used in the future.

6.1 Problems of aligning cyber security to Shariah Compliance.

The major difficulty within the Islamic fintech (i-Fintech) is the Dual-Compliance Burden. Whereas traditional companies merely resort to technical and regulatory standards (such as the ISO 27001 or GDPR), i-Fintech companies have to meet Shariah Supervisory Boards (SSB) at the same time.

- **Transparency-Encryption Paradox**: Shariah focuses on Shafafiyyah (transparency) to remove Gharar (uncertainty). Nonetheless, sophisticated cybersecurity is typically based on the Black Box encryption and zero-knowledge proofs to conceal the information about transactions to defend privacy. The respondents have mentioned

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that researchers usually consider extreme encryption as an encumbrance to auditing the Halal nature of a transaction (Malik and Shahzad, 2025).

- **Immutability vs. The Right to be Forgotten:** Block chain is praised by its immutability that is Shariah-compliant. However, current data protection regulations (e.g., GDPR) require people to have the right to be forgotten. The irreconciling nature of the permanent record of a blockchain with the legal obligation to destroy information is a big technical and jurisprudential challenge (Hassan et al., 2021).
- **Technological Lag in Shariah Governance:** There has always been a lag between the rate of cyber-innovation (e.g., Quantum computing, DeFi) and the rate of Shariah decisions (Fatwas). This is a frequent scenario in which i-Fintech companies are currently in a compliance vacuum in which they are required to implement security features before a full clarification of their Shariah status can be established (Ermiati, 2025).

6.2 Ethical issues in Cyber security.

Cyber security is re-packaged in Islamic fintech in the context of a Moral Defense System. The argument on how to preserve data is changed to why it has to be preserved as an ethical requirement.

- **Information as Amanah (Trust):** The information is presented as an Amanah as opposed to the traditional perspective of data as the new oil (a good) the Islamic ethics perceives the information as an Amanah. This is not a technical error but a moral infraction to mismanage this trust by using weak passwords or not by updating the software.
- **Prevention of Exploitation:** The technology policies should be developed in such a way that it not only prevents Zulm (oppression) but also withholds it. As an illustration, AI-powered protection systems should be vetted to guarantee that they do not discriminatively reject transactions within the disadvantaged groups, which would be counter to the Islamic concept of Adl (Justice) (Widjaja, 2024).
- **Cyber security as a Social Good:** Guiding a Zakat or Waqf platform is thought to be a Maslahah Mursalah (Public Interest). The discussion insists on the fact that the violation of these systems results in the loss of more than money, it interferes with the social safety net of the Ummah (Bashori et al., 2024).

6.3s Proposed Shariah-Compliant Cyber security Framework (SCCF).

This paper suggests a model of Cyber-Shariah Integration that will incorporate the NIST Cyber security Framework with the Maqasid al-Shariah.

The Three Pillars of the SCCF:

1. **The Technical Pillar (Defense):** Zero-Trust Architecture and Quantum-Resistant Encryption used. This fulfils the principle of Ihtiyat (Precaution).
2. **The Ethical Pillar (Privacy):** The Privacy by Design in which the data is viewed as an Amanah. This includes stringent measures to reduce data and use of data in an ethical manner.
3. **The Governance Pillar (Audit):** A required "Technical Shariah Audit" in which Shariah scholars and CISOs co-determine the security of smart contracts and AI algorithms to make sure that there is no Gharar or Tadlis (deception) (Rahman, 2023).

6.4 Regulatory and Institutional Role.

Cyber security and Shariah compliance cannot be coordinated at the level of single firms but need institutional coordination.

- **The Development of Shariah Boards:** The contemporary SSBs need to be transformed into the Hybrid Boards that include both theologians and technologists.

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According to the study, a cybersecurity expert is no longer needed to oversee digital finance by the SSB (Ermiati, 2025).

- **Harmonization of International Standards:** International cyber security standards (NIST, ISO) should be harmonized by the organizations such as the Islamic Financial Services Board (IFSB), and AAOIFI with the Islamic law. This would establish a Global Shariah-Cyber Standard that would impose less compliance on i-Fintech startups (Malik and Shahzad, 2025).
- **Government Intervention in the Digital Sovereignty:** Structural realist approach Regulators should consider i-Fintech security as national and religious security. Islamic jurisdictions governments ought to offer so-called Security Sandboxes in which Shariah-compliant security protocols may be evaluated against real-life threats without exposing consumer capital to any risk (Gulati & Singh, 2024).

Summary

This discussion highlights that the cyber security is the new protector of Islamic financial integrity. With an active, ethically-based system, i-Fintech companies have the potential to go beyond technical survival to be the leaders in the digital world economy, and technology and faith-based ethics are not only compatible but actually complementary to each other.

7: RECOMMENDATIONS

According to the conclusions of the empirical research, the analysis of the respondents, and the suggested theoretical framework, this chapter presents practical recommendations on how to enhance the cyber security status of Islamic Fintech (i-Fintech) without violating the Shariah.

7.1 Policies Advocated to Islamic Fintech Firms.

Companies should stop considering cyber security as a technical complement, but rather should make it part of their Shariah governance framework as an essential ethical requirement.

7.1.1. The adoption of best cyber security practices:

- **Zero-Knowledge Proofs (ZKP):** To eliminate the conflict between the privacy of the data and the Shariah transparency firms must implement ZKP. This enables one to verify the validity of transactions (no Gharar) and still keep sensitive personal information confidential, and thus respecting the principle of Amanah (Trust) (Adejumo & Ogburie, 2025).
- **Immutable Auditing with Blockchain:** The companies must consider applying a private or permission blockchain to build an immutable Audit Trail of all transactions that are Shariah-compliant. It is a new online variant of a “Record of Deeds that provides the security of the fact that once a contract is signed, then its conditions cannot be changed in a fraudulent manner (Malik and Shahzad, 2025).
- **AES-256 or quantum-resistant encryption:** Digital Wealth "Protecting Shariah-Compliant Encryption Standards" (Hifz al-Mal). Fairness of state-of-the-art encryption must be formally made in company policy a category of Taaksir (culpable negligence) (Ermiati, 2025).

7.1.2 Privacy and Shariah-Compliant Data Usage Policies.

- **Reduction of Data as an Ethical Responsibility:** As per the principle of Ihsan (perfection/excellence), companies should not gather more than the required data to make a transaction. Amassing data raises the Attack Surface and is a violation of the trust (Amanah) of the user (Albar, 2023).
- **Transparent Algorithmic Governance:** Organizations are required to establish straight forward policies that can enforce the Explainability of their security AI. When

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an automated system is blocked against a user, it needs to be reasonable in order to avoid Zulm (unjust treatment/bias) (Widjaja, 2024).

7.2 Regulators and Shariah Board Recommendations.

The regulators and Shariah Supervisory Boards (SSB) have a critical role to play in ensuring that the environment is standardized and that faith-based values and global security standards are brought into harmony.

- **Compulsory Technical Shariah Audits:** Regulators (as in Islamic jurisdiction central banks) ought to require an annual Shariah Audit with a "Cyber security Stress Test" in it. This makes the platform just as compliant to its security as it is to financial contracts (Rahman, 2023).
- **Cyber-Shariah Standard:** International organizations such as AAOIFI and the IFSB must work together with cyber security departments (e.g., NIST or ENISA) to publish a single "Shariah-Cyber security Standard." This would give i-Fintech startups a clear roadmap on how it can attain dual compliance (Malik and Shahzad, 2025).
- **Digital Sandboxes Digital Sandboxes** with Security Focus Governments should create Reg-Tech Sandboxes for i-Fintech security. They enable companies to develop defensive technologies that need to be tested in simulated attacks with oversight of a security expert and Shariah scholars (Gulati & Singh, 2024).

7.3 Educational and Capacity-Building.

One of the biggest threats to the industry is the so called "Validation Gap" between theologians and technologists. It is necessary to bridge this gap to ensure resiliency in the long run.

- **Interdisciplinary Training Courses:** Higher Education institutions and industry organizations ought to initiate certification programs to educate Shariah scholars on the principles of cyber security (e.g., Block chain logic, Encryption, and Malware analysis) and develop CISOs on the principles of Maqasid al-Shariah and Malware (Islamic jurisprudence) (Ermiati, 2025).
- **Creation of "Cyber-Shariah" Centers of Excellence:** The centers of excellence in cyber security and AI ethics and Islamic law research should be funded by major Islamic financial centers (including Malaysia, UAE, and Saudi Arabia). These centers can serve as quick action centers to issue Fatwas on new online threats.
- **Community Digital Literacy Programs:** Being the ultimate vulnerability, i-Fintech companies ought to invest in their customers being educated on the digital security through ethical perspective. One of the ways in which Amanah can be taught to users is to ensure they have a chance to understand that keeping their digital credentials secure is an effective preventive measure against phishing and other social engineering attacks (Bashori et al., 2024).

8: CONCLUSION

It is the concluding chapter that summarizes the research process and provides the overview of the main findings that were made and ponders the potential revolution that a Shariah-aligned cyber security paradigm could be.

8.1 Summary of Findings

The study has shown that addressing the issue of cyber security risks in Islamic Fintech (i-Fintech) is an interdisciplinary challenge that requires a balance between technical excellence and religious jurisprudence to be established. The fundamental results show that:

Cyber security as a Religious Mandate: The safeguarding of digital assets and personal data is no longer a technical necessity but a fulfillment of the Shariah goals (Maqasid al-Shariah) namely the protection of wealth (Hifz al-Mal) and the honoring of trust (Amanah).

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- **Value alignment:** The idea of modern security, like Zero Trust and Privacy by Design, is similar to Islamic maxims of law, namely, Ihtiyat (precaution) and Sadd al-Dhara (blocking the means to harm). The study established that there is an 88.6 percent agreement among scholars that technical negligence is a Shariah non-compliance.
- **The Impact of Technology:** Block chain and enhanced encryption are the new locks and keys of the new age. Although they may pose certain difficulties regarding the Right to be Forgotten, they provide unprecedented transparency (Shafafiyyah), which is a prerequisite to removing Gharar (uncertainty) in the financial contracts (Malik & Shahzad, 2025; Bashori et al., 2024).

8.2 Future Research Implications.

With the shift in the digital environment, new frontiers have been created that should be explored by scholars to make the i-Fintech ecosystem sustainable and ethical.

- **Artificial Intelligence (AI) and Machine Learning:** The future research must examine the Black Box aspect of AI fraud detection in order to prevent the security algorithms to practice Zulm (bias or oppression) against certain groups of users (Widjaja, 2024).
- **Internet of Things (IoT) and Edge Computing:** As Islamic banking evolves into Embedded Finance, studies are required to make secure the massive number of IoT devices that will be used to make Shariah-based micro-transactions on-the-fly.
- **Quantum Computing:** The danger of quantum computing to existing encryption standards is a research topic of importance in the future. Researchers need to initiate the study of the so-called Quantum-Shariah protocols to protect the long-term digital sovereignty of Ummah (Kang, 2022).
- **Global Impact Assessments:** Longitudinal studies on the impact of cyber security breaches on the global economics of the Islamic institutions versus conventional ones, in particular, the Trust Premium of ethical finance, need to be conducted.

8.3 Final Thoughts.

Technology, finance, and ethics are not only a survival strategy of the market, it is the road map to a more fair and safe financial ecosystem of the world. This study finds that Islamic Fintech has a rare chance to dominate the world in Ethical Cyber security.

The i-Fintech firms can create the technologically sound and spiritually authentic system by perceiving each line of code in terms of Amanah and each firewall in terms of Maslahah (Public Interest). Financial system security in the digital era does not simply depend on how powerful the algorithms are, but it is the values that must be held intact. The last phase in making the internet a haven of trust and success to everybody is integrating faith with the fiber of the internet.

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