

Financial Services Authority Regulation (POJK) Relevance Based on Sharia Principles by Financial Service Business Actors (PUJK) to Consumers Protection

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Abstract:

The determination of the interrelated relationship regarding POJK from the PUJK can be reviewed through its role to consumers. This study uses a systematic review of the alternative literature on theoretical basis, antecedents, review of measurements, and results of relevance analysis. This research data uses secondary data taken from reputable journals. Furthermore, the data is processed using the NVivo plus 12 applications through a coding similarity analysis and then drawn conclusions as a

reference. The results of the study illustrate that there is a relevant relationship between POJK and sharia principles by paying attention to the relationship factors of variables and outcomes from PUJK to consumers. Theoretical contributions through originality an agenda for future research will be developed. The policy implication of this study is to maintain and improve understanding of Islamic financial literacy through POJK based on sharia principles. The limitations of this study reveal that the relevance of the relationship between PUJK and consumers affects the results at various levels of analysis.

Keywords: information transparency, financial services, informative, disclosure

A. Introduction

In the financial services sector, Article 1 paragraph 1 and 2 in POJK Number 01 / POJK.07 / 2013 has explained what is meant by consumers and Financial Service Business Actors (PUJK). Based on the explanation in this article, it can be understood that the consumer protection regulations in financial services are intended to protect the interests of consumers from negative behavior by PUJK, both carrying out conventional and sharia business activities.

Considering the provisions of article 31 of Law Number 21 of 2011 in article 4 (c), articles 28 to 30 of Law no. 21 of 2011 concerning the Financial Services Authority (UUOJK) issued a Financial Services Authority Regulation (POJK) Number 01 / POJK.07 / 2013 aimed at protecting the interests of consumers in the financial services industry and the public. Then in Article 2, Chapter VII Articles 18 and 19 POJK Number 24 / POJK.03 / 2015 concerning the products and activities of Islamic banks and sharia business units, it is emphasized regarding the application of sharia principles, namely the principles of prudence and consumer protection. Given that the issue of consumer protection is closely related to the low understanding of Islamic financial literacy which can be minimized through transparency and publication of information by PUJK to consumers. On the other hand, this regulation still supports the growth of financial services sector institutions and industries.

In an effort to protect consumers, the Financial Services Authority (OJK) encourages transparency and publication by issuing regulations Number: 6 / POJK.03 / 2015 and article 20 Number 24 / POJK.03 / 2015 so that disclosure of information on products and services in the financial system can increase trust. the public to the Financial Services Industry (IJK). Through the integrity and firmness of the OJK in enforcing the rules and regulations on the flow of financial

transactions, consumers will certainly rely on growing trust in PUJK¹, and competition among PUJK is also increasing in improving performance and services to consumers through principle-based regulations sharia².

Then more than that, in connection with the stipulation of POJK Number 37 / POJK.03 / 2019 concerning transparency and publication of reports, the OJK has also issued a Financial Services Authority Circular Letter Number 10 / SEOJK.03 / 2020 which describes the transparency and publication of Islamic commercial bank reports and sharia business units.

The basis of relevance, based on POJK Number 1 / POJK.07 / 2013 concerning consumer protection, applies 5 principles, namely: (1) transparency regarding financial statement information, (2) Fair treatment (by applying to financial services), (3) Reliability (in other words, informative), (4) confidentiality and security of consumer data / information and (5) simple, fast, and affordable handling of consumer complaints and dispute resolution (through disclosure) which includes the principles of prudence and consumer protection in accordance with sharia principles³.

Consumer service data shows that the percentage of complaints submitted by consumers to the OJK is regarding banking products (53.3%), insurance (25.8%), products from financial institutions (12.7%), capital markets (3.0%), and pension funds (1.3%) (OJK data, 2018). Most of these complaints were motivated by a lack of understanding of financial literacy such as consumer rights and obligations, fees, and fines for products and services when using financial service products. As a form of OJK's commitment to consumer protection, regulation Number 18 /POJK.07/2018 has been issued regarding consumer complaint services in the financial services sector.

Transparency of information and services with the financial system is not only beneficial for the public as consumers, but also for PUJK in increasing Islamic

¹ Dianing Ratna Wijayani, "Kepercayaan Masyarakat Menabung Pada Bank Umum Syariah," *Muqtasid: Jurnal Ekonomi Dan Perbankan Syariah* 8, no. 1 (June 1, 2017): 1, <https://doi.org/10.18326/muqtasid.v8i1.1-17>.

² Dessy Mauliza and Rulfah M. Daud, "Pengaruh Kecukupan Modal Dan Kompetisi Terhadap Profitabilitas Bank Syariah Di Indonesia," *Jurnal Ilmiah Mahasiswa Ekonomi Akuntansi (JIMEKA)* 1, no. 1 (2016): 13–19.

³ Muhazzab Alief Faizal et al., "ANALISIS RISIKO TEKNOLOGI INFORMASI PADA BANK SYARIAH: IDENTIFIKASI ANCAMAN DAN TANTANGAN TERKINI," *Jurnal Asy-Syarikah: Jurnal Lembaga Keuangan, Ekonomi Dan Bisnis Islam* 5, no. 2 (September 30, 2023): 87–100, <https://doi.org/10.47435/asy-syarikah.v5i2.2022>.

financial literacy related to sharia principles (Ramadhan, 2018). Therefore, informative information and disclosure are needed in helping the public to determine the options that will be used according to their needs. This is what is interesting, regarding the relevance of the relationship between the variable transparency of financial statement information, financial services, informative, and disclosure, which can be the foundation and driving factor for increasing understanding of Islamic financial literacy through POJK from PUJK to consumers on the implementation of sharia principles.

B. Research Method

In line with best practice, researchers used Google Scholar and related databases to identify peer-reviewed articles on the relevance of the relationship between consumers and PUJK with the results of previous studies. Keywords or abstracts published from 2015 to 2020. I decided to limit my search to journals published after 2013, when POJK No. 1 / POJK.07 / 2013 on consumer protection in the financial services sector, POJK No. 6 / POJK.03 / 2015 concerning transparency and publication of bank reports, POJK Number 24 / POJK.03 / 2015 concerning products and activities of sharia banks and sharia business units and SEOJK Number 10 / SEOJK.03 / 2020 concerning transparency and publication of reports of Islamic commercial banks and sharia business units published.

In order to identify further articles such as abstracts and keywords on the relevance of the relationship between consumers and PUJK in the agenda of increasing Islamic financial literacy based on sharia-based regulations, I conducted a comprehensive search of those already identified. Then, in ensuring the quality of the articles used in the literature review, I only use articles if they meet the following criteria: (a) the article is available in a peer-reviewed journal listed on the ISSN, and (b) this article focuses on Financial Statement Information Transparency, Financial Services, Informative and Disclosure.

Given that this study chooses to focus on sharia principles on measuring relevance as a specific initial foundation and looking through the relationship between consumers and PUJK, because it is based on the POJK that has been published. Independently filter downloaded articles to decide whether articles meet inclusion criteria, and select relevant data without excluding specific articles. From the literature search obtained journals in this research review.

Thus, we can examine the theoretical basis, showing how the relationship between consumers and PUJK has been measured in previous research, on the theoretical basis, antecedents, measurement, study results and discussion where

the related variables have been treated as the foundation of a relevant relationship to be recommended for regulatory-based sharia.

In addition, to strengthen the analysis, data collection in this study was carried out through literature studies or more concentrated on secondary data in the form of reputable journals. Then the data is managed using NVivo plus 12, through analysis of Coding Similarity then a conclusion is drawn. NVivo is used to analyze qualitative data in order to get more professional results⁴.

C. Findings and Discussion

The review on previous research identified from a number of theoretical perspectives that explain the relationship factor arises from a broader theoretical concept in the perspective of institutions where it will appear to be interacting and related. This is also reinforced by regulations issued by the OJK in a review rooted in the theory of due care. That the theory highlights the role of paying attention, maintaining the quality control process, anticipating possible errors, preventing adverse influences in every idea. Thus, the theoretical key approach is used as a basis for the effectiveness of studying the relationship factors that will be used in accordance with the context.

Research on the relationship between consumers and PUJK has drawn on theoretical perspectives from a myriad of disciplines including Fintech, XBRL and information disclosure. Existing research on the antecedents of the relationship between consumers and PUJK is usually based on the theory of due care, to understand how the relationship between consumers and PUJK from the 4 variables develops through POJK.

Meanwhile, the framework constructs from relevant relationships, regarding how each variable has been conceptualized and measured in previous research, and identifies theoretical keys that have been drawn by researchers to explain that the relationships that occur can be developed and affect the results obtained from the variables. Following are the conclusions of the framework that is used as a basis for previous research and supported by POJK in expanding the research agenda.

In addition, research on the relationship between consumers and PUJK through POJK has tried to combine the relationship of relevant variable factors, such as

⁴ Hamed Hilal AlYahmady and Saleh Said Al Abri, "Using Nvivo for Data Analysis in Qualitative Research," *International Interdisciplinary Journal of Education* 2, no. 2 (February 2013): 181–86, <https://doi.org/10.12816/0002914>; Arief Dwi Saputra and Alfina Rahmatia, "Gamification Model as a Business Strategy for MSMEs in Indonesia," *Journal of Accounting and Strategic Finance* 4, no. 1 (June 30, 2021): 91–107, <https://doi.org/10.33005/jasf.v4i1.162>.

transparency of financial report information⁵, financial services⁶, informativeness⁷, and disclosure⁸ to explain in generating trust, competition and protection.

1. Information Transparency

By PUJK, from several evidences that show that XBRL technology helps companies become more transparent⁹. The benefits of XBRL have increased information transparency that provides effective solutions for the preparation, presentation and exchange of international financial reporting standards by creating standardization and adapted to digital representations of fast transparent financial reporting regulations¹⁰. But there are also other ways for institutions to increase the usefulness of technology-based financial reports from investors, which in this case requires participants with expert accounting and financial knowledge. The main factor is the interactivity of financial reporting regulations that encourage consumers to have a mindset in reducing dependence on non-PUJK institutions¹¹.

⁵ Stephanie M. Grant, Frank Douglas Hodge, and Samantha C Seto, "Can a Deliberative Mindset Prompt Reduce Investors' Reliance on Fake News?," *SSRN Electronic Journal*, 2019, <https://doi.org/10.2139/ssrn.3444228>.

⁶ PÄIVI KARHUNEN and SVETLANA LEDYAEVA, "DETERMINANTS OF ENTREPRENEURIAL INTEREST AND RISK TOLERANCE AMONG RUSSIAN UNIVERSITY STUDENTS: EMPIRICAL STUDY," *Journal of Enterprising Culture* 18, no. 03 (September 21, 2010): 229–63, <https://doi.org/10.1142/S0218495810000574>.

⁷ J Fang, "Path Construction for Group Companies Accounting Information Transferring Based on XBRL and Cloud Computing Technology.," *The Free Library*, no. September (2016), [https://www.thefreelibrary.com/Path construction for group companies accounting information...-a0473923917](https://www.thefreelibrary.com/Path+construction+for+group+companies+accounting+information...-a0473923917).

⁸ Mirko S. Heinle and Robert E. Verrecchia, "Bias and the Commitment to Disclosure," *Management Science* 62, no. 10 (September 2016): 2859–70, <https://doi.org/10.1287/mnsc.2015.2283>.

⁹ Yuan George Shan, Indrit Troshani, and Grant Richardson, "An Empirical Comparison of the Effect of XBRL on Audit Fees in the US and Japan," *Journal of Contemporary Accounting & Economics* 11, no. 2 (August 2015): 89–103, <https://doi.org/10.1016/j.jcae.2015.01.001>; Chien-Kuo Li et al., "The Application of Corporate Governance Indicators With XBRL Technology to Financial Crisis Prediction," *Emerging Markets Finance and Trade* 51, no. sup1 (January 30, 2015): S58–72, <https://doi.org/10.1080/1540496X.2014.998888>.

¹⁰ Fang, "Path Construction for Group Companies Accounting Information Transferring Based on XBRL and Cloud Computing Technology.," Yanan Zhang, Yuyan Guan, and Jeong-Bon Kim, "XBRL Adoption and Expected Crash Risk," *Journal of Accounting and Public Policy* 38, no. 1 (January 2019): 31–52, <https://doi.org/10.1016/j.jaccpubpol.2019.01.003>.

¹¹ Stephanie M. Grant, Frank D. Hodge, and Roshan K. Sinha, "How Disclosure Medium Affects Investor Reactions to CEO Bragging, Modesty, and Humblebragging," *Accounting*,

Operational management with several risks, such as fraud, will have a significant effect through contract law binding on the issuance of regulations which also strives for transparent presentation even though technology is used for the purpose of increasing financial reporting transparency¹². The role in each governance produces regulations on performance that make consumers and PUJKs synergize with competition to survive and even improve the foundation¹³.

Tahir¹⁴ stated that Implementation of the principles of Islamic communication in the digital era and the information have published through reports on consumers and institutions such as PUJK in an efficient manner from the information dissemination system and protection of financial information reports is consistent. This shows that financial statement information has an effect on trust¹⁵. In considering the completeness of regulations related to increased approval and reporting¹⁶. It also allows quick retrieval of information, increases transparency, and reduces reflective items to measure how individuals perceive reporting quality presentations¹⁷.

Organizations and Society 68–69 (July 2018): 118–34,
<https://doi.org/10.1016/j.aos.2018.03.006>.

¹² Andrea Fradeani, Davide Panizzolo, and Eldi Metushi, “Financial Reporting in XBRL: First Evidence on Financial Statement Notes of Italian Unlisted Companies,” *International Journal of Digital Accounting Research* 16, no. 4 (2016), https://doi.org/10.4192/1577-8517-v16_4.

¹³ Sandra Cohen, Xenia J. Mamakou, and Sotirios Karatzimas, “IT-Enhanced Popular Reports: Analyzing Citizen Preferences,” *Government Information Quarterly* 34, no. 2 (April 2017): 283–95, <https://doi.org/10.1016/j.giq.2017.04.003>; Gamaliel Hassan Alukwe et al., “Management Information Systems Challenge to Regulation Compliance by Deposit Taking Savings and Credit Co-Operative Societies in Kenya,” *International Journal of Academic Research in Business and Social Sciences* 5, no. 3 (March 21, 2015), <https://doi.org/10.6007/IJARBS/v5-i3/1515>.

¹⁴ Muhammad Tahir and Sri Rayhaniah, “Implementation of The Principles of Islamic Communication In The Digital Era,” *Borneo International Journal of Islamic Studies (BIJIS)* 4, no. 1 SE-Articles (November 10, 2021), <https://doi.org/10.21093/bijis.v4i1.4477>.

¹⁵ Peter Seele, “Digitally Unified Reporting: How XBRL-Based Real-Time Transparency Helps in Combining Integrated Sustainability Reporting and Performance Control,” *Journal of Cleaner Production* 136 (November 2016): 65–77, <https://doi.org/10.1016/j.jclepro.2016.01.102>; Jean-François Gajewski and Li Li, “Can Internet-Based Disclosure Reduce Information Asymmetry?,” *Advances in Accounting* 31, no. 1 (June 2015): 115–24, <https://doi.org/10.1016/j.adiaac.2015.03.013>.

¹⁶ FL Liu, C, Luo, XR, & Wang, “An Empirical Investigation on the Impact of XBRL Adoption on Information Asymmetry: Evidence from Europe,” 2017.

¹⁷ Francesco Avallone, Paola Ramassa, and Elisa Roncagliolo, “XBRL Extension to the Financial Statement Notes: Field-Based Evidence on Unlisted Companies,” *The International Journal of Digital Accounting Research*, June 2016, https://doi.org/10.4192/1577-8517-v16_3.

The company regulations have been largely ignored. Therefore, comparative ability is associated with higher financial reporting transparency and lower information in the presentation of financial statements because of limited transparency and its application to accountability¹⁸. The involvement of stakeholders in financial reporting that lacks transparency is unfavorable¹⁹.

Consumers guarantees help to increase transparency and trust in investors although the integration of sustainability and guaranteed financial information generally increases. Rahmah²⁰ described that the potential that will make more informed decisions based on crowdfunding platform with the data contained in financial reports practically mainstreaming financial resources. A positive workplace culture in the organization in terms of communication sustainability, transparency and accountability²¹. As such, our results support calls for an early and late stage to be more transparent.

2. Financial Services

By PUJK, the financial services industry has experienced the emergence of new technological innovations. Overall, many are looking for new pathways for a successful transaction business model by providing financial service applications²². Since decades, the financial services industry has undergone a continuous evolution in service delivery due to digitalization such as aspects including data-oriented engineering, facility and equipment development, application design and service model deployment that provide small but sophisticated companies with the opportunity to make regulatory decisions developing financial services²³. This evolution is characterized by

¹⁸ Jakko Kemper and Daan Kolkman, "Transparent to Whom? No Algorithmic Accountability without a Critical Audience," *Information, Communication & Society* 22, no. 14 (December 6, 2019): 2081–96, <https://doi.org/10.1080/1369118X.2018.1477967>.

¹⁹ Farzaneh Nassir Zadeh, Mahdi Salehi, and Haneyeh Shabestari, "The Relationship between Corporate Governance Mechanisms and Internet Financial Reporting in Iran," *Corporate Governance: The International Journal of Business in Society* 18, no. 6 (October 23, 2018): 1021–41, <https://doi.org/10.1108/CG-06-2017-0126>.

²⁰ S Rahmah, *Komunikasi Efektif Terhadap Muallaf*, Palangka R (CV. Narasi Nara, 2019).

²¹ Temple Moses, "An Examination of the Relationship between Corporate Culture and Financial Statement Fraud in Nigeria," *Asian Journal of Economics, Business and Accounting* 9, no. 3 (January 5, 2019): 1–8, <https://doi.org/10.9734/AJEBA/2018/46149>.

²² D W Firdaus and R K Aryanti, "The Influence of Financial Technology in Financial Transactions," *IOP Conference Series: Materials Science and Engineering* 662, no. 2 (November 1, 2019): 022012, <https://doi.org/10.1088/1757-899X/662/2/022012>.

²³ Samuel Fosso Wamba et al., "Bitcoin, Blockchain and Fintech: A Systematic Review and Case Studies in the Supply Chain," *Production Planning & Control* 31, no. 2–3 (February 17, 2020): 115–42, <https://doi.org/10.1080/09537287.2019.1631460>.

expanded connectivity and improved information processing communication speed both at the customer interface and in the back-office²⁴.

The financial services industry is seen as a user of key concepts that encourage rethinking within limits for the combination and use of knowledge. The success of financial services companies will play a role in driving innovation and strategic regulatory excellence, but also ensuring that the process will protect consumers and PUJK²⁵.

To consumers from a market perspective, the most important function is price discovery, which is the ability to combine a heterogeneous collection of information from various consumers and PUJKs into one signal that combines all information²⁶. Currently, the majority (86%) of trading establishments use regulations to ensure investor protection and to enhance market integrity and stability. Manipulation of financial market regulations is a major threat to market trust and integrity because there can be price errors, market imperfections, and increased transaction costs for market participants and capital costs²⁷.

Financial market regulation will fundamentally change the trade landscape and market infrastructure²⁸. Then, it explains the share of cross-border variations in access to finance for using a variety of financial services²⁹. Decision making plays an important role in financial services in the relative future importance of various types of trade. Financial service providers and

²⁴ Liudmila Zavolokina, Mateusz Dolata, and Gerhard Schwabe, "Enterprise Applications, Markets and Services in the Finance Industry," *8th International Workshop, FinanceCom 2016* 276, no. February (2017).

²⁵ B Gewald, H, Wagner, HT, & Wolff, "The Catalyzing Role of FinTechs for Innovation Sourcing in Financial Services.," 2019.

²⁶ Peter Gomber, "Cash Equity Markets in Germany," *Journal of Applied Corporate Finance* 27, no. 4 (December 28, 2015): 75–80, <https://doi.org/10.1111/jacf.12148>.

²⁷ Michael Siering et al., "A Taxonomy of Financial Market Manipulations: Establishing Trust and Market Integrity in the Financialized Economy through Automated Fraud Detection," *Journal of Information Technology* 32, no. 3 (September 1, 2017): 251–69, <https://doi.org/10.1057/s41265-016-0029-z>.

²⁸ Peter Gomber et al., "The MiFIR Trading Obligation: Impact on Trading Volume and Liquidity," *SSRN Electronic Journal*, 2018, <https://doi.org/10.2139/ssrn.3133161>.

²⁹ Dan Geng and Robert Kauffman, "Decomposing the Impact of Credit Card Promotions on Consumer Behavior and Merchant Performance," 2017, <https://doi.org/10.24251/HICSS.2017.673>; Corinne Delechat et al., "What Is Driving Women's Financial Inclusion Across Countries?," *IMF Working Papers* 18, no. 38 (2018): 1, <https://doi.org/10.5089/9781484344460.001>.

deep relationships between consumers and PUJK can determine guidelines for data governance regulations in financial services.

Financial services allow individuals to have access to several forms of payment services³⁰. Productivity and quality of financial products and services increasingly depend on the protection of consumers and PUJK. However, when using financial services consumers will face loss of control over the quality of other services³¹. Providing opportunities for service creation and becoming a new business model by presenting challenges for financial service providers to understand the changing structure and regulations of financial services organizations³². Their aim is to increase financial literacy through regulations that are comprehensive in nature and make financial services more accessible and affordable to low cost³³.

3. Informative

By PUJK, the effect of the analysis coverage on informativeness will be the addition of phrases that struggle with distinguishing types of independence situations on focus and popularity³⁴. The existence of conflicts between the managing owners and external investors is analyzed in the Company's ownership structure and income informativeness as evidence of the consistency and bias of existing regulations. In this case it can have a significant impact showing that there is no difference in the informative level of income between companies. Conversely, there is no evidence to suggest

³⁰ Quanyun Song et al., "Accessibility of Financial Services and Household Consumption in China: Evidence from Micro Data," *The North American Journal of Economics and Finance* 53 (July 2020): 101213, <https://doi.org/10.1016/j.najef.2020.101213>.

³¹ Newman O. Omigie et al., "Understanding the Continuance of Mobile Financial Services in Kenya," *Journal of Global Information Management* 28, no. 3 (July 1, 2020): 36–57, <https://doi.org/10.4018/JGIM.2020070103>.

³² Daniel Gozman, Jonathan Liebenau, and Jonathan Mangan, "The Innovation Mechanisms of Fintech Start-Ups: Insights from SWIFT's Inn Tribe Competition," *Journal of Management Information Systems* 35, no. 1 (January 2, 2018): 145–79, <https://doi.org/10.1080/07421222.2018.1440768>.

³³ Gozman, Liebenau, and Mangan.

³⁴ Mahdieh Nor Ali Ahari and Mohammad Jalili, "Comparison of Accounting Earnings Informativeness in Family and Non-Family Firms Listed In Tehran Stock Exchange," *International Journal of Academic Research in Accounting, Finance and Management Sciences* 6, no. 3 (June 27, 2016), <https://doi.org/10.6007/IJARAFMS/v6-i3/2203>; Joseph T. Yun et al., "Computationally Analyzing Social Media Text for Topics: A Primer for Advertising Researchers," *Journal of Interactive Advertising* 20, no. 1 (January 2, 2020): 47–59, <https://doi.org/10.1080/15252019.2019.1700851>.

that income informativeness varies through commercialization and conglomeration as applied to regulations³⁵.

Consumers, with the policy on the flow of information to the public, are considered to be opportunistic for profit³⁶. Network relations through the assessment function that calculates informativeness as a source use three factors, namely consistency, diversity, and similarity to analyze the effect of regulations on corporate governance and ownership structure on informativeness in disclosing information to the public³⁷. When emerging markets raise external capital, they run the risk of a trade-off challenge where greater transparency could lead to lower capital costs but at the cost of disclosing sustainability information in the regulatory practice of public relational business³⁸.

4. Disclosure

By PUJK, this study analyzes a disclosure model in which consumers as investors charge a discount for uncertainty about firm value and find a commitment to conservative reporting regulations, defined as a requirement

³⁵ Joseph D. Piotroski, T.J. Wong, and Tianyu Zhang, "Political Bias of Corporate News in China: Role of Commercialization and Conglomeration Reforms," *SSRN Electronic Journal*, 2015, <https://doi.org/10.2139/ssrn.2674780>; Kamarul Bahrain Abdul-Manaf, Noor Afza Amran, and Rokiah Ishak, "Earnings Informativeness, Board Size, Board Composition and Board Leadership Structure," *Advanced Science Letters* 21, no. 5 (May 1, 2015): 1513–16, <https://doi.org/10.1166/asl.2015.6089>.

³⁶ Mohd Mohid Rahmat, Kamran Ahmed, and Gerald J. Lobo, "Related Party Transactions, Value Relevance and Informativeness of Earnings: Evidence from Four Economies in East Asia," *Review of Pacific Basin Financial Markets and Policies* 23, no. 01 (March 30, 2020): 2050005, <https://doi.org/10.1142/S0219091520500058>.

³⁷ Natalia Poespawijaya and Yie Ke Feliana, "Konsistensi Selisih Antara Nilai Laba Akuntansi Dan Laba Pajak Dan Kualitas Informasi Dari Laba," *Jurnal Ilmiah Mahasiswa Universitas Surabaya* 5, no. 1 (2016); SL Kusumawati, H, & Wardhani, "Analisis Determinan Yang Mempengaruhi Kualitas Laba Studi Pada Perusahaan Manufaktur Di Bursa Efek Indonesia," *MODUS* 30, no. 1 (2018): 17–37, <https://doi.org/10.24002/modus.v30i1.1585>.

³⁸ Yensen Ni, Paoyu Huang, and Yuhsin Chen, "Board Structure, Considerable Capital, and Stock Price Overreaction Informativeness in Terms of Technical Indicators," *The North American Journal of Economics and Finance* 48 (April 2019): 514–28, <https://doi.org/10.1016/j.najef.2018.07.007>; Yingyi Hu, Tiao Zhao, and Lin Zhang, "Does Low Price Synchronicity Mean More Informativeness in Stock Prices? Empirical Evidence on Information Integration Speed in the Chinese Stock Market," *Emerging Markets Finance and Trade* 55, no. 5 (April 9, 2019): 1014–33, <https://doi.org/10.1080/1540496X.2018.1528973>.

that companies disclose bad realization of economic events that will result in firm prices³⁹.

The tendency of companies to commit to disclosing information can also be potentially biased⁴⁰. An important aspect of such an analysis is the fact that company regulations can select corporate social disclosures and the results suggest that additional information will be disclosed in an integrated manner for intellectual disclosure⁴¹. Meanwhile, researchers and practitioners alike estimate company regulatory exposure to published systematic risk factors⁴².

To consumers, the classic model of disclosure highlights two economic forces where the presence of performance problems in adverse financial governance regulations (e.g., managers have some personal information) and costs of fixing the problem (e.g., cost of ownership associated with the quality of information disclosure) increase costs disclosure and thus leads to an absolute reduction in the cost of information disclosure⁴³.

The disclosure literature assumes that information disclosure strategies can act as intellectual capital in regulations as general knowledge such as cash flows and discount rates, the equilibrium relationship between price and value-relevant statistics can easily be a function of what investors believe in controlling the information to be disclosed⁴⁴. From this disclosure literature it can also be developed a regulatory model in which the company's exposure to an unknown factor, and analyze the effects of discretionary disclosure,

³⁹ Mirko S. Heinle and Kevin C. Smith, "A Theory of Risk Disclosure," *Review of Accounting Studies* 22, no. 4 (December 14, 2017): 1459–91, <https://doi.org/10.1007/s11142-017-9414-2>.

⁴⁰ Marlene Plumlee et al., "Voluntary Environmental Disclosure Quality and Firm Value: Further Evidence," *Journal of Accounting and Public Policy* 34, no. 4 (July 2015): 336–61, <https://doi.org/10.1016/j.jaccpubpol.2015.04.004>.

⁴¹ Jeremy Bertomeu and Robert P. Magee, "Mandatory Disclosure and Asymmetry in Financial Reporting," *Journal of Accounting and Economics* 59, no. 2–3 (April 2015): 284–99, <https://doi.org/10.1016/j.jacceco.2014.08.007>.

⁴² Davide Scaltrito, "Voluntary Disclosure in Italy," *EuroMed Journal of Business* 11, no. 2 (July 4, 2016): 272–303, <https://doi.org/10.1108/EMJB-07-2015-0032>; Shamsun Nahar, Mohammad Azim, and Christine Anne Jubb, "Risk Disclosure, Cost of Capital and Bank Performance," *International Journal of Accounting & Information Management* 24, no. 4 (October 3, 2016): 476–94, <https://doi.org/10.1108/IJAIM-02-2016-0016>.

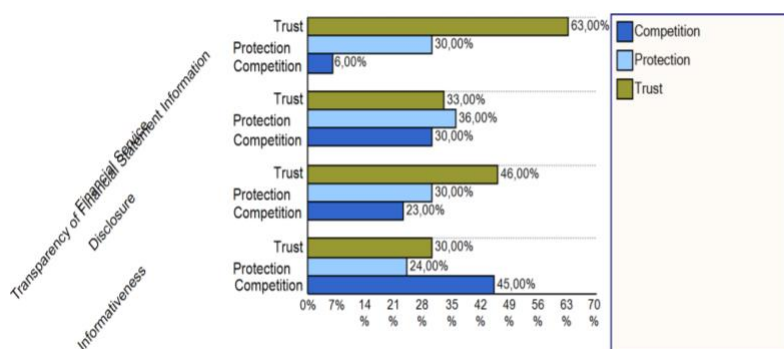
⁴³ Yongtae Kim et al., "The Effect of Trade Secrets Law on Stock Price Synchronicity: Evidence from the Inevitable Disclosure Doctrine," *The Accounting Review* 96, no. 1 (January 1, 2021): 325–48, <https://doi.org/10.2308/tar-2017-0425>.

⁴⁴ Renato Camodeca, Alex Almici, and Umberto Sagliaschi, "Strategic Information Disclosure, Integrated Reporting and the Role of Intellectual Capital," *Journal of Intellectual Capital* 20, no. 1 (February 14, 2019): 125–43, <https://doi.org/10.1108/JIC-02-2018-0048>.

using regulations as a key disclosure measure in determining whether disclosure is desirable⁴⁵.

5. Islamic Science and Western Science

Figure 1. Variable Measurement



Source: NVivo Analysis 12 (2022)

From the picture above aims to measure results such as Trust, Protection and Competition. With the aim of increasing Islamic financial literacy by PUJK to consumers achieved from 4 variables through OJK regulations based on sharia principles.

Based on the results of coding analysis through NVIVO 12 from data sources of 189 items of reputable journals on 4 variables including transparency of financial report information, financial services, informative and disclosure, the results were obtained at the dominant level of confidence.

There is a 63% level of confidence in the variable of financial statement information transparency, 30% at the level of protection and 6% at the level of competition. This is in line with the variable disclosure figures at 46%, 30%, and 23%, respectively.

In the financial services variable, the level of protection is the highest among other items, namely 36%. Meanwhile, in the informative variable, protection

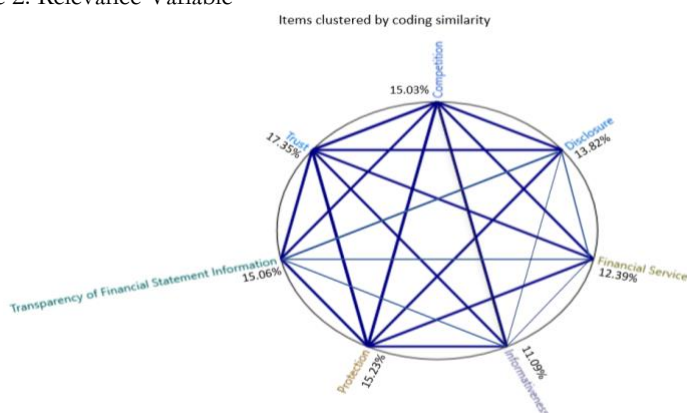
⁴⁵ Itay Goldstein and Liyan Yang, "Information Disclosure in Financial Markets," *Annual Review of Financial Economics* 9, no. 1 (November 1, 2017): 101–25, <https://doi.org/10.1146/annurev-financial-110716-032355>; Mirko S. Heinle, Kevin C. Smith, and Robert E. Verrecchia, "Risk-Factor Disclosure and Asset Prices," *The Accounting Review* 93, no. 2 (March 1, 2018): 191–208, <https://doi.org/10.2308/accr-51863>.

is the lowest level at 24%. Another contrast occurs in the level of competition in the financial and informative services variable, namely 30% for the financial services variable and 45% as the highest number for the informative variable. Confidence levels are in the middle position in the financial services and informative services variable, at 33% and 30%, respectively.

Thus, the results of the literature study conducted show that of the 4 variables, there is a relevant relationship in increasing Islamic financial literacy by PUJK through POJK based on sharia principles to consumers.

6. Relevance between Variables

Figure 2. Relevance Variable



Source: NVivo Analysis 12 (2022)

The picture above shows the relevance of the relationship between POJK based on sharia principles by PUJK to consumers which have a relationship with each other as a whole between four variables (transparency of financial report information, financial services, informative, and disclosure) and three variable results (trust, protection and competition).

The data processed and generated by NVivo 12 from 189 journals shows that there is a relationship that can be translated into a percentage. The level of trust has the strongest association at 17.35%, followed by protection, competition and transparency at 15.23%, 15.03%, and 15.06% respectively. Meanwhile, disclosure was at 13.82%, about 1% higher than the level of financial services, which was at 12.39%. The informative level has the lowest percentage figure in the relationship between consumers and PUJK at only 11.9%.

D. Conclusion

This study conducted a systematic review of the relevance of POJK based on sharia principles by PUJK to consumers. At the same time examining those 4 variables (transparency of financial report information, financial services, informative, and disclosure) and 3 variable results (trust, protection and competition can support in increasing understanding of Islamic financial literacy against regulations issued by OJK which result in the relationship between PUJK and Consumers and have been measured in previous research. In examining this research, the keys in the literature were identified and could serve as an agenda for future research that highlighted empirical opportunities and theoretical advances in regulatory publishing.

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