

Cyber Security and Legal Protection for Dropshipping Transactions in Indonesia: between State Law and Islamic Law

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Abstract: This study aims to explain the cybersecurity and legal protection of dropshipping transactions from the state law and Islamic economic law perspective. The normative and comparative judicial approaches were applied to achieve the research objectives. Descriptive and prospective analysis methods are used, and data are collected through primary and secondary sources. The findings revealed that despite the continuous growth of dropshipping contracts, Indonesia has no direct laws and regulations that particularly deal with the dropshipping mechanism and provide this cyber security to the system. In Islam, the dropshipping mechanism is linked with three types of contracts: *Salam*, *Samsarah*, and *Wakalah*. However, each type carries certain limitations as per Islamic/Sharia principles. Simultaneously, along with the cyber security laws available in financial transactions, the Islamic Fatwa can be regarded as a guide for dealing with dropshipping agreements and preventing cyber security. Furthermore, considering the increasing trend of dropshipping businesses, which is beneficial for the economic system, the existing cybersecurity laws and regulations must be amended to explicitly cover drop-shipping mechanisms.

Keywords: Dropshipping; Cyber security; Legal protection; Islamic economic law; State law.

Introduction

Nowadays, the continuous advancement of science and technology has facilitated human behaviour in several aspects of the economy with enormous changes (Sodero et al., 2021). Besides, the world of the Internet, also known as cyberspace, has made it possible for everyone to access anything globally at any time (Mandviwalla & Flanagan, 2021). This further transformed human behaviours and actions to develop a business-oriented world. Since we live in an industrial revolution era 4.0, the buying and selling of cyberspace have tremendously increased in the last two decades (Musarrofa et al., 2022). At the same time, the dropshipping business had tremendously increased. Dropshipping involves a business where drop shippers conduct the financial agreements between original suppliers and buyers, acting as intermediaries using cyberspace (Menaouer et al., 2021). Anyone can carry out the dropshipping business by promoting the suppliers' goods to the customers. Their customers do not need to know about the real suppliers based on the trust developed by the drop shippers (Shi et al., 2020).

Indonesians have embraced modern technologies and conduct most of their online business transactions (Laimu et al., 2023). As a result of a detailed survey, the Indonesian Internet Service Providers Associations (APJII) reported that in 2018, the total number of Indonesian internet users was 171.17 million, reaching 202.6 million users in 2021 (Marune & Hartanto, 2021). Likewise, researchers reported the positive influence of continuous internet users' growth on the Indonesian economy via internet-based business transactions (e-commerce) (Ariyani et al., 2021). Moreover, in the current era of the digital world, several

technological and economic aspects are developing at a high pace (Karimuddin et al., 2024; Kusumaningtyas et al., 2022). For instance, the emergence of startups or websites connected online has an extensive scope (Meyer & Vergnaud, 2020). Likewise, Indonesia's most popular marketplace websites include Lazada, Bukalapak, Shopee, Tokopedia, etc. (Lidiawaty et al., 2020). Research reveals that proper dropshipping management can significantly influence the world economy, including Indonesia, to overcome unemployment (Rasidin et al., 2020). However, it lacks evidence of how Muslim-majority countries like Indonesia may utilize their Islamic economic laws and principles to provide cyber security to drop shippers.

Moreover, on one end, this extensive interaction and rapid communication via an online system made things easier and speedy for doing business globally (Rajan, 2020). Conversely, it has also enhanced the level of crimes in cyberspace, which is projected to grow if strong protection isn't provided soon. The National Cyber Agency of Indonesia (BSSN) reported around 888 million cyber-attacks from January to August 2021 in Indonesia (Marune & Hartanto, 2021; Mustofa et al., 2023). Simultaneously, research also shows that the most vulnerable sector to cybercrime is e-commerce (Permatasari, 2022). While making transactions via e-commerce, people must enter their data into various databases that must be protected to avoid misusing that data. The research also reports that once the data is protected for internet users, specifically those involved in e-commerce transactions, online trust is built among the customers, which all organizations strive to achieve for customer loyalty, profitability, and long-term stability (Bylok, 2022).

Indonesia is one of the largest Islamic nations in Asia, and almost 75% of the Indonesian population comprises internet users (Zahara et al., 2022). However, there is inadequate legal protection of personal data using various online platforms under Indonesian law and regulations (Martupa et al., 2021). There are several challenges in the Indonesian legal framework regarding e-commerce transactions in the country (Ariansyah et al., 2021). Personal information in the form of e-mail, telephone number, and name comprise valuable data, also known as a digital file, based on its economic value in the business world. However, the lack of legal protection for this digital file and the use of digital technologies in financial transactions results in tangible and intangible losses to the individuals making it a serious problem in the digital world. Therefore, researchers suggest a need to define laws and regulations to provide cyber security to drop shippers and business communities, using cyberspace to develop trust among their customers and to utilize cyberspace to reap the benefits of digital technologies (Marasabessy, 2022).

Besides, article 28 G of the 1945 Constitution of the Republic of Indonesia deals with protecting personal data, including individuals' lives, family, dignity, and property (Rahman & Wicaksono, 2021). Some laws provide general protection for personal data. i.e., Law no. 11 of 2008 concerning Information and Electronic Transactions amended by Law no. 19 of 2019, Government Regulation of the Republic of Indonesia No. 71 of 2019 concerning the Implementation of Electronic Systems and Transactions (PP 71/2019), Indonesian Government Regulation No. 80 of 2019 concerning Trading Through Electronic Systems (PP 80/2019), and Minister of Communication and Information Technology Regulation No. 20 of 2016 concerning Protection of Personal Data in Electronic Systems. However, the law does not explicitly define personal data protection in particular (Koto, 2021).

Simultaneously, these regulations are sectoral and do not have specific legal instruments to motivate individuals to use digital channels in Indonesia's financial transactions (Marune & Hartanto, 2021). Without specific laws and regulations to protect digital transactions and dropshipping contracts in the digital world, personal data leakage in selling and buying contrast has increased tremendously (Rajan, 2020). As a result of this increasingly widespread data leakage and data selling and buying, several cases have been reported in the last few years. For instance, at the Raid forum, for the price of about IDR 84 million, the personal data of hundreds of BPJS Kesehatan members was sold after allegedly hacking in May 2021. Likewise, at the Amateur hacker site, the data of about 1.3 million Facebook users in Indonesia was hacked and sold in April 2021. Simultaneously, in September 2020, Indonesian statistics revealed the illegal selling of the personal data of about 5.8 million users of the Red Door applicants. Likewise, in August 2020, another illegal hacking and selling of data of Kreditplus' 890,000 customers (a financial technology

company) at the Raid forum were reported. Finally, a very big data hacking and selling incident was reported in May 2020, where the personal data of 7 million sellers and 91 million users was leaked (Marune & Hartanto, 2021). With increasing incidences of data hacking and selling, as discussed above, the current study aims to discuss the existing cyber security and legal protection in Indonesian law for dropshipping sale transactions.

Literature Review

Dropshipping between Marketplace in E-commerce

E-commerce is a process of trading goods and services using cyberspace, while online services are between buyers and sellers (Sumarliah et al., 2022). Most people in the modern era want to utilize their capabilities to conduct business and sell the products owned by others via marketing tactics (Ranjan & Srivastava, 2021). Dropshipping is a very famous business among the young generation, requiring no capital to start a business. Generally, dropshipping businesses are of two types (Marasabessy, 2022). In the first type, drop shippers buy goods from the suppliers and determine the prices themselves. The dealers acquire the capital first and then sell it to the customers (Sodero et al., 2021). In the second type, the suppliers in the initial agreements determine the prices, whereas the drop shippers act as second suppliers of original suppliers without acquiring the capital (Anner, 2022). Both types are equally famous and widespread in the dropshipping business.

Moreover, dropshipping is carried out via intermediaries from original or actual suppliers to consumers. Simultaneously, the profits of the drop shippers are based on the differences in the prices from the original suppliers to the drop shippers and the prices from the drop shippers to the buyers (Rasidin et al., 2020). In such transactions, customers mostly pay cash or crossword money electronically to drop shippers' accounts (Shi et al., 2020). At the same time, the payment of the drop shippers to the suppliers is based on purchasing prices plus the shipping cost of the goods to the consumers' doorsteps (Hendrik et al., 2021). Simultaneously, the consumers' data in the form of names, telephone numbers and addresses are submitted by the drop shippers to the suppliers. After completing all the procedures, the goods are supplied by the sellers to the consumers directly, where drop shippers act as intermediaries in finalizing deals (Menaouer et al., 2021).

The dropshipping system has several advantages for selling and buying goods. For instance, drop shippers earn valuable profits while offering their marketing services for the goods that belong to suppliers. No significant capital is needed to start or continue the dropshipping business. Likewise, there is no specific requirement for a warehouse or office to keep the goods by drop shippers (Shi et al., 2020). The dropshippers also need not have higher educational backgrounds; their knowledge of cyberspace and dealing with customers are enough to act as intermediaries (Wu et al., 2022). Simultaneously, drop shippers do not face the burden of distribution or packaging. Finally, this business can be carried out by drop shippers anywhere or anytime without space or time limits, creating extensive market networks and new jobs at the convenience of several people (Rasidin et al., 2020). Hence, it is one of the most promising business opportunities in the world.

In addition to all these advantages, the dropshipping business also faces many cyber scarcity issues based on the sensitivity of the data involved in financial transactions (Kimani et al., 2019). Specifically, there are many chances of fraud in the most sensitive businesses where technological devices like laptops, cell phones, and others such highly-priced items are involved (Leminen et al., 2018). Likewise, the customers' sensitive data can be leaked via various plate forms available on the drop shippers' sites, which has many drastic impacts (Marune & Hartanto, 2021). Hence, there is a dire need to devise regulations and laws to protect such sensitive data from developing customer trust, which may lead to long-term loyalty. This loyalty can be a key to the economic development of the country.

Selling and Purchasing in Islamic Economic Law

Etymologically, purchasing and selling originate from the Arabic word "*al-bai, at-tijarah*", meaning replacing goods with goods or something with a compatible value as per law (Hairunisa & Yuningsih,

2023). It further reflects on conducive conditions, the lawful exchange of things/property with other things, which can be taken as associated with "*qabul* and *ijab*" Besides, from a business perspective, sales and purchases happen in multiple ways to generate profits and enhance the business's equity (Dolega et al., 2021). In addition, transactions conducted in light of Islamic principles and codes of ethics are considered under Islamic economic law (Marthanti et al., 2023). According to Islam, business practices should follow and comply with Islamic teachings, which have several benefits and limitations. The main pillars of selling include *bai* (the existence of the seller), *mustari* (the existence of the buyer), *ijab* (the offer from the seller), *qabul* (the acceptance from the buyer), and *ma'qud 'alaih* (the existence of the good being sold) (Febriandika et al., 2022).

There are certain terms of sales agreements in Islamic Economic law. For instance, certain means between buyers and sellers should exist based on their mutual will and agreement instead of being forced by others (Marasabessy, 2022). Simultaneously, the sellers and buyers should be mature persons who reached poverty and can distinguish between right and wrong. At the same time, this Islamic economic law states that a person with lawful goods can be a seller. The lawful goods are regarded as *mubah* (permissible goods) (Ramli et al., 2021). In contrast, intoxicating beverages and other such things, including dogs, pigs, carcasses, etc., are forbidden to be used as compensation or benefit (Fadhillah & Alamin, 2021). Moreover, lawfully, sellers are directed to hand over the sold goods to the buyers as per the decided agreements. The sold goods should be kept separately from the unsold goods following the nature of the goods. Finally, the sellers' goods should be obtained through lawful halal means (Rasidin et al., 2020). As stated in the prophetic tradition, Muhammad SAW says: "Allah, when He has forbidden something, surely He also forbids the sale proceeds" (Narrated by Ad Daruquthni and Ibnu Hibban) (Fadhillah & Alamin, 2021).

There are specific terms and conditions for the dropshipping contracts. However, in Islamic Economic Law, three types of contracts are probably considered dropshipping mechanisms. These include;

1. *Salam*

The sale and purchase agreement in which the traded goods are not available at the time of agreement or transaction is called *salam* (Mulyany et al., 2022). In contrast, an ordering system is followed where the purchasers make advance payments for the goods to be delivered in the future. Following the Islamic Economic law (KHES) for the general provisions of Article 20, paragraph 35, *salam* is a type of sale and purchase financing service in which payment of the ordered goods is carried out before delivery (Prayogi & Ramadhan, 2024). Simultaneously, in the dropshipping mechanism following the *salam* agreements, delaying the payment after posting orders and converting it into debts is unlawful (Marsela, 2022). Besides, the sellers of dropshipping procedures advertise goods and services via social networking sites. It is also the responsibility of the drop shipper to explain the actual condition of the goods in terms of quantity, weight, packaging, etc. (Shi et al., 2020). They can also present the references of previously held transactions so that the customer has enough access to review the product supplied by such sellers before paying cash in advance for their orders (Cindy et al., 2022). Hence, the sale agreement occurs between the drop shipper and the buyer who paid the cash while ordering goods. The goods are not delivered until the seller receives the payment plus the shipping cost (which is sometimes waived depending upon the nature of the agreement).

Researchers also stated that dropshipping is just a term to present the *salam* where the purchasers carry out the reservation of the goods by paying cash in advance after the sellers clearly describe the goods (Ilieva et al., 2022). This further presents that a *salam* agreement can be made between the intermediary in the form of a drop shipper who can act on behalf of the seller to contract with the buyer. However, there are different opinions of scholars. According to one school of thought, *salam* is permissible when the goods are available in the market so the cash can be received before delivering goods to the buyers. In contrast, other scholars forbid the *salam* contracts as per Islamic law. This might be because keeping the element of the time and distance between the *salam* agreement and the actual delivery of the goods may lead to a change in prices till the time of delivery. However, in dropshipping, the goods are supplied to the buyers

mostly from three days to one week, which results in minimal or no changes in the prices and does not fulfill the main aim of advance payments to attain a hedge against an inevitable rise in prices in future is not achieved during dropshipping. Hence, many scholars oppose *salam* from being considered as the dropshipping agreement.

2. *Samsarah*

The term *samsarah* is used to describe the individuals who work for others for wages, to either buy or sell the goods (Mulyany et al., 2022). It can also be regarded as a broker or an intermediary their financial transactions are carried out based on dropshipping mechanisms. Simultaneously, drop shippers are considered intermediaries or brokers. They actually do not sell or buy the goods but advertise such goods. In such contrast, the interested buyers are referred to as the sellers/ owners of the goods, and wages are charged for such references (Marasabessy, 2022). In other words, drop shippers help market the goods rather than selling on their own behalf or owing the goods. Certain conditions need to be fulfilled in the *samsarah* contracts. For instance, it does not include the forbidden goods and requires clarity of ownership and an actual description of the goods held by the owners (Putri, 2021). Likewise, the quality of the goods should be clearly presented without the intention of committing fraud. Intermediaries are also not supposed to exaggerate or falsely present the goods in front of the projected buyers. Finally, the wages of the intermediaries or brokers as drop shippers must be predefined and should be met once the actual sale and purchase of the goods have been completed (Melina & Saputra, 2022). These wages are the actual income of the drop shippers.

3. *Wakalah*

In *wakalah*, the mandate of ownership is surrendered to the person who is trustworthy to the owners (Arwanita et al., 2022). In other words, owners delegate or surrender their ownership rights in favour of a person they trust. At the same time, Fauziah (2021) defined *wakalah* as a contract of rendering the owners' power by appointing another person as their acting successor. The *wakalah* contract further presents the coordination and interdependence nature of human beings. It can be related to the dropshipping mechanism in which sellers attach themselves to the drop shippers to promote their products without transferring ownership and letting them sell the product. In the dropshipping mechanism, *wakalah*'s contract starts when the suppliers (*al-muwakkil*) request the drop shippers (*al-wakil*) to market their products and conduct sales to buyers interested in buying these products (Osmera et al., 2021). Simultaneously, in certain contexts, the drop shipper searches for sellers interested in allowing the drop shippers to advertise their products for sale.

Hence, it can be asserted that by enduring the *wakalah* contracts, there is a bond between the drop shipper and the supplier to sell the products whenever the buyers are interested. This way, the products are shipped to the drop shippers from the sellers and then delivered to the buyers. In such contracts, the actual buyers receive the payment at the point of delivery, which the drop shippers then forward after keeping their margins with the sellers (Rasidin et al., 2020). Islam promotes the *wakalah* contracts because humans are interdependent and conduct businesses on the mutual understanding that some people offer services while others offer valuables (Arwanita et al., 2022). In such contracts, the person is assigned a job as an intermediary to transmit the goods the sellers own to the buyers and earn their profits (Fauziah et al., 2021).

Method

A comparative and normative judicial approach was used in this research. The comparative judicial approach compares various laws and regulations linked with a certain phenomenon (Afshari, 2021). In the normative judicial approach, theoretical matters linked with the legal principles in the form of legal doctrine, conceptions, and situational regulations are identified, analyzed, and interpreted (Sehnálek, 2022). Simultaneously, researchers presented an overview of dropshipping and the Islamic economic laws regarding dropshipping and addressed the most important issue of cyber security linked with the dropshipping contracts under Indonesian formal laws and regulations and following Islamic Economic

laws. Additionally, descriptive and prospective analysis methodologies are used to extract the findings linked to the study domain. The laws and regulations regarding a certain phenomenon are linked by facts and figures and systematically reviewing the secondary and primary data or analyzing them in the descriptive analysis. Whereas the reason for devising laws and regulations, the value of justice system regulations norms, and legal concepts linked with certain phenomena are discussed in perspective analysis (Soni, 2019).

Simultaneously, the current study applied these methodologies to understand and have an overview of dropshipping, its role in the economy, the transactions linked with dropshipping according to Islamic Economic laws, and the availability of cyber security to the dropshipping contracts while using the cyberspace in a developing nation, i.e., Indonesia. The primary data was collected via a field survey, identifying various drop shippers and conducting interviews with them. Additionally, the legal materials and agreement, standard guidelines, the rules and regulations of financial transactions using cyberspace, and the related laws and regulations were collected to analyze further and present a detailed overview of the topic under study. Moreover, various platforms like statutory research, government policies, library research, national and international journalism magazines, newspapers, and encyclopedias were assessed to gather the secondary material in the study domain. All the gathered material was then analyzed via a five-step procedure, including data presentation, extraction and reduction, presenting results and discussion, and stating the conclusion and future research directions.

Results and Discussion

Cyber Security and Legal Protection in Indonesian Law for Dropshipping Sale Transactions

Indonesia has been recorded as the fourth largest growing nation in Internet users worldwide. Besides, researchers reported that business transactions utilizing digital technologies in Indonesia might increase Indonesia's economic growth by 2% annually (Martupa et al., 2021). McKinsey reported that with digital technologies in business transactions, the Indonesian economy is projected to embrace a growth rate of US\$ 150 billion, which equals 10% of gross domestic product (GDP) by 2025 (Martupa et al., 2021). Simultaneously, this digital economy growth in Indonesia will, in turn, result in national economic growth in the future. More recently, the use of cyberspace for business transactions has tremendously increased during COVID-19 all over the globe, which has further led to several challenges in cyber security (Soni, 2019). Indonesia has also witnessed several cybersecurity issues based on the business sector's vulnerability to cybercrimes.

According to the International Telecommunication Union 2019, Indonesia is ranked 41st among 193 countries in the "Global Cybersecurity Index (GCI)." Following the "National Cyber Agency of Indonesia (BSSN)," from January to August 2021, about 888,000,000 cyber-attacks were recorded in Indonesia. Most of these cyberattacks account for hacking cases whose main targets were corporate and government websites. These cyber-attacks originated the need for cyber security laws and regulations to protect the various cyberspace actors, particularly in business transactions (Kimani et al., 2019). Currently, only the Law on Information and Electronic Transactions (UU ITE), the Government Regulation on the Implementation of Electronic Systems and Transactions (PP PST), GR82/2012 exist in this context. These provisions have various limitations, as the ITE Law only regulates the laws linked with cybercrimes related to document interception and information. Whereas GR82/2012 only covers cybercrimes related to electronic transactions. However, these provisions do not cover e-commerce governance and cyberspace interception practices.

Moreover, cyber security provisions are also regulated by the ministry regulations like MOCI Regulation No. 20/2016, Joint MOCI Regulation No. 26/2015, and MOJHR Regulation No. 14/2015 on the Implementation of Closing Down Content or a User's Rights to Access over Copyright Infringement and Related Rights in an Electronic System. These both provisions present a narrower focus as they are stemmed from GR82/2012. MOCI Regulation No. 20/2016 concentrates on Personal data's illegal use. Digital intellectual property theft comes under the jurisdiction of joint regulation. At the same time,

regarding financial services, cyber security is regulated by the Financial Services Authority (OJK) via its Regulation No. 13/POJK.02/2018 on Digital Financial Innovation in Financial Service (Balboa et al., 2024).

Consequently, several authorities disbursed in various institutions regulate this complex regulatory landscape, leading to discretionary enforcement. As a result, government officials have to choose the punishment for violating laws on a case-to-case basis instead of solving problems based on a transparent system (Koto, 2021). This further leads to corrupt and mismanaged systems with more cyber security issues. These regulations also do not properly present the government's role in regulating the cyber security system in the digital world (Steingartner et al., 2021). Hence, there is a legal vacuum in protecting data in e-commerce. In contrast, an effective cybersecurity law in the country must be created to cover this vacuum and provide enough security to e-commerce businesses. However, in mid-2019, a draft of the Cyber Resilience and Cyber Security Bill (RUU KKS) was published by the House of Representatives (DPR) To present an overarching cyber security regulation (Martupa et al., 2021). However, due to its cumbersome provisions, the business community did not accept it. Policymakers, academicians, and business practitioners believed that the government should present cyber security bills that focus on creating a coordination system among the institutions rather than imposing additional burdens on the businesses (Melina & Saputra, 2022). Simultaneously, there is a need to align the bill with the National Cybersecurity Strategy presented in 2020 to make it more effective in providing defined provisions regarding cyber-attacks and cyber-security provisions.

Cyber Security and Legal Protection in Islamic Economic Law for Dropshipping Sale Transactions

The advent of modern technology worldwide and the utilization of digital channels for business purposes have posed many security challenges all over the globe (Hartanto et al., 2021). This rapid digitalization has advanced the dropshipping business by conducting strong business selections without having any capital in hand. Simultaneously, dropshipping transactions are carried out digitally using the Internet via developing several websites. Similar to other parts of the world, Indonesia's dropshipping business is flourishing on this basis. However, as stated earlier, the developing nations lack a consolidated set of regulations and laws regardless of this continuous growth and the increasing importance of dropshipping mechanisms (Rasidin et al., 2020). To some extent, the POJK No. 77/POJK.01/2016 linked with business-to-business digital financial transactions can be considered a regulatory effort toward e-commerce. However, it does not clearly state anything about the cyber protection of drop shippers.

Protecting stakeholders in a business is very important in Sharia/Islamic Economic Law. Islam pays special attention to the protection of consumers in business transactions (Mulyany et al., 2022). Islam does not only see the protection of stakeholders in business transactions as a civil relationship, but it involves the public interest at large (Qayyum & Noreen, 2019). So, protecting buyers and sellers in Islamic Economic law is considered the state's responsibility. Therefore, Islam has clearly defined the various actors' writing obligations in financial transactions. Following the consumer rights following the Law No. 8 of 1999, which is contained in article 4, there are several rights for the consumers/ buyers in terms of choosing the goods and services, provision of truthful information, guarantee/warranty of the goods and services, complain regarding goods and services, and most importantly provision of safety and security during the financial transactions (Rahmawati et al., 2024).

Besides, in dropshipping contracts, the principle of the provisions is binding in which the essential thing during the agreement is covered by article 1313 of the Civil Code, which states that based on this agreement, an individual bind himself/herself to another person following the terms and conditions decided by both individuals for the financial transactions. In dropshipping sales, the buyers are asked to transfer money (the price of the goods + shipment cost). As a result of this agreement, sellers transfer their items to the drop shippers, and drop shippers then transfer them to the buyers. In this context, article 1474 of the Civil Code defines the sellers' obligations in surrendering the ownership of the goods being traded. Simultaneously, the buyers' obligations are presented in article 1513 of the Civil Code to pay the price of the ordered goods at the place and time determined during the agreement. Without the payment

agreement, the buyers are liable to pay the prices at the time of delivery, as mentioned in article 1514 of the Civil Code (Iswiyah & Sabiq, 2023).

On the other end, the existence of Islamic fatwas presented by the National Shariah Board of the Indonesian Council of Ulama (DSN MUI) may be regarded as a regulatory framework to run the dropshipping contracts smoothly and can be recorded as the basis for the Indonesian Islamic financial system. It also reflects the evidence for conducting Islamic digital transactions following Islamic principles and codes of conduct (Iska, 2018). Hence, the fatwas and Islamic teachings and principles in light of the Holy Quran and Hadith can be the basis for financial transactions. At the same time, considering the potential threats businesses face via digital means, there is a dire need to formulate policies and regulations regarding drop-shipping contracts (Khoiriyah et al., 2021). Also, the proposed laws and regulations should be strictly followed by all the financial actors and stakeholders involved in financial transactions to avoid cybercrimes and other fraud in today's digital world.

Conclusion

The important findings in this research are that regardless of the continuous growth of dropshipping contracts, in Indonesia, no direct laws and regulations deal with the dropshipping mechanism and provide cybersecurity to the system. However, each type carries certain limitations as per Islamic/ Sharia laws for their consideration as dropshipping contracts. Simultaneously, along with the cyber security laws available in the context of financial transactions, the Islamic Fatwa can be regarded as a guiding principle for dealing with dropshipping agreements and preventing cyber security. Furthermore, the current study is a valuable addition to the existing body of literature by presenting the concept of dropshipping following Islamic Economic law and discussing the security issues and legal protection available in the form of cyber security and traditional Indonesian law and under the Islamic principles and laws. Moreover, considering the utmost importance of financial technologies and the increasing trend of dropshipping businesses that benefit the economic system, the existing cybersecurity laws and regulations need to be amended to cover dropshipping mechanisms explicitly. Moreover, it is recommended that the government and other sensitive institutions be responsible for spreading awareness among the general public and business stakeholders regarding cyber security to control cybercrimes and mitigate their impacts as much as possible. Finally, future studies can empirically examine the significance of cyber security laws in protecting cyberspace and building trust among the buyers of the system.

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Conflict of Interest

This manuscript has not been published or presented elsewhere in part or its entirety and is not under consideration by other journals. There are no conflicts of interest to declare

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