

Introduction: Advancing Inclusivity and Resilience Through Innovations and Digital Transformation

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As financial systems across the globe confront unprecedented shifts—driven by digital innovation, growing demand for ethical finance, and post-pandemic recovery—there is an urgent need to reimagine the institutions, frameworks, and tools that drive inclusive growth. In this second edition of Volume 4 (2025), the SUKUK Journal presents a diverse selection of articles that investigate contemporary developments in Islamic finance, regulatory transformation, fiscal governance, and the digitisation of microeconomic activities. From Southeast Asia to the Middle East, the featured studies provide timely insights into how finance intersects with inclusion, sustainability, and policy innovation.

This edition aims to offer new perspectives on how Islamic economic principles are evolving in emerging financial systems. It includes empirical and policy-oriented research that explores both structural challenges and the innovative responses shaping financial practice. Central themes such as fatwa mechanisms, green Islamic instruments, SME policy strategies, and fintech disruption are brought into focus. The articles collectively advocate for a shift toward transparent, inclusive, and values-based financial models, especially in regions historically underserved by conventional systems.

Ethical and Inclusive Financial Systems in Emerging Economies

Several articles have underscored the significant potential of Islamic finance as both an ethical and an inclusive model within the context of underdeveloped financial markets. This potential is particularly relevant in regions where traditional banking systems may not fully address the needs of diverse populations, especially those in Muslim-majority areas where Islamic principles govern financial transactions. A noteworthy study on the Philippines examines the national regulatory framework for Islamic finance. It investigates the system's readiness to support Shariah-compliant financial instruments as alternatives to conventional products. The analysis highlights opportunities for integrating these instruments into the broader financial system to enhance financial inclusion.

Meanwhile, the study on fatwa issuance mechanisms embarks on a comprehensive analysis that meticulously examines the intricate role of religious authority in the context of market regulation. This exploration sheds light on the nuanced dynamics at play, particularly highlighting the inherent

tensions that exist between the moral oversight traditionally associated with religious guidance and the demands of institutional modernization in contemporary society. As the study unfolds, it delves into the various frameworks through which fatwas are issued, scrutinizing the processes and criteria that underpin these religious rulings.

Digital Transformation and Policy Innovation in Finance

This edition places a significant emphasis on the profound transformation of financial services driven by the integration of digital tools and technologies. In particular, it showcases the compelling case of the Central Bank of Oman and its ambitious digital roadmap. This roadmap serves as a vital example of how a regulatory authority can act as a catalyst for not only enhancing resilience but also fostering innovation throughout a national financial system. The Central Bank's strategic initiatives aim to modernise the financial landscape, positioning Oman as a leader in the adoption of cutting-edge technologies.

In parallel, the ongoing investigation into the integration of digital payment solutions among Indonesian micro and small businesses reveals significant grassroots implications stemming from the rapid advancement of financial technology, commonly referred to as fintech. This research delves into how these digital payment systems are not merely technological innovations but pivotal tools that can transform the operational landscape for small enterprises. As the study unfolds, it becomes increasingly clear that there is a direct correlation between the rates of adoption of these digital payment methods and various key performance indicators crucial for the success and sustainability of small businesses.

Fiscal Policy and Economic Resilience for Small Enterprises

As small businesses grapple with increasing pressures in the wake of global economic volatility, characterized by fluctuating markets and uncertain consumer demand, two insightful articles emerge that provide critical analysis of fiscal interventions designed to support these enterprises. The first article delves into the intricacies of "Indonesia's national SME strategies", carefully examining the framework established by the government to nurture and bolster the small and medium-sized enterprise (SME) sector. It not only highlights the strengths inherent in these strategies—such as government support initiatives, funding opportunities, and skill development programs—but also sheds light on the significant implementation gaps that can hinder effective execution. These gaps may include issues such as bureaucratic inefficiencies, lack of awareness among small business owners, and the need for more robust infrastructure to support these initiatives.

In contrast, the second article takes a closer look at the transformative potential of "digital payments" in fostering sustainability among micro, small, and medium enterprises (MSMEs). The

study argues that by embracing digital payment systems, MSMEs can significantly improve their access to financial resources, streamline their operations, and reduce their reliance on informal financial channels. This shift can lead to enhanced operational efficiency and greater financial stability, ultimately contributing to the long-term resilience of these businesses.

Both studies underscore the critical need for fiscal and regulatory approaches that are not only targeted but also attuned to the specific regional contexts in which these small businesses operate.

Conclusion

This issue of the SUKUK Journal reinforces our commitment to advancing research that bridges practice and theory in Islamic finance and beyond. It offers practical policy suggestions, theoretical frameworks, and regionally grounded insights that will benefit academics, regulators, practitioners, and students. In particular, the convergence of technology, Shariah principles, and institutional policy is shown to be a powerful avenue for driving future progress.

We hope these contributions not only stimulate academic discourse but also support transformative financial governance across Muslim and non-Muslim majority countries alike. As new research continues to explore the intersections between morality, policy, and digital growth, the SUKUK Journal remains committed to serving as a platform for inclusive and impactful scholarship.

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