

CenRaPS Journal of Social Sciences



International Indexed & Refereed

ISSN: 2687-2226 (Online)

<http://journal.cenraps.org/>



Original Article

<https://doi.org/10.46291/cenraps.v2i3.39>

Opportunities of Islamic FinTech: The Case of Bangladesh and Turkey

Syed Magfur Ahmad*
Abdullah Al Mamun**

* Ph.D. Student, Istanbul University,
Institute of Social Sciences,
Department of Islamic Economics and
Finance, Istanbul, Turkey.

Email:

syedmagfurahmad@ogr.iu.edu.tr

** Post graduate researcher, Marmara
University, Institute of Islamic
Economics and Finance, Istanbul,
Turkey.

Abstract:

This paper aims to study Islamic fintech operations in Bangladesh and Turkey. FinTech is now extensively used in different countries around the world. It is known to be financial products of the twenty-first century. Fintech applications are using pervasively in the different Islamic finance operating systems. Turkey and Bangladesh emphasized more in fintech after the 2008 global financial crisis. Both countries banks prioritized in their regulations and compliance with innovation. The rise of Islamic Fintech in Turkey and Bangladesh started with the main banking applications. The use of shariah-compliant Islamic fintech in both countries are increasing significantly to carry out financial transactions and processes more efficiently through technological innovations. Qualitative methods and secondary data have been used in this study. Turkey practically became a hub for Islamic financial technology in recent years considering its operational activities. Asian countries, particularly Turkey and Bangladesh are expected to show their highest growth potential for Islamic fintech in 2020. This study also attempts to unearth the possibilities of Islamic FinTech in Bangladesh and Turkey. Islamic finance based on Islamic Shariah benefited significantly by using financial technology in recent years. Bangladesh and Turkey can be a potential destination for Islamic FinTech with the help of financial technology.

Key Words:

Financial Technology, FinTech, Islamic FinTech, Financial Services, Bangladesh, and Turkey.

1. Introduction

FinTech is a new concept for financial institutions. FinTech is regarded as twenty-first-century financial products. The latest developments of mobile applications, as well as website usability of many customers, have indicated the presence of FinTech in the global finance industry (Saba,

Kouser, & Chaudhry, 2019). The underdeveloped financial system of Bangladesh, the substantial untapped population, and smartphone usage rate have led to the growth of digital technology in the economy. Applying technology in financial transactions tends to increase steadily. By making a fintech link between banks and financial companies will bring emerging financial transparency, accountability, and dynamism to Bangladesh (M. R. Islam, 2019). There is no way forward in the banking sector without fintech in the days ahead. In Bangladesh, fintech is an essential step in the direction of the developed countries by growing investment in this sector. Islamic banks and financial institutions must respond to a practical reality where they are no longer be able completely in the Shariah's provision of financial services (Ahmad & Chowdury, 2020). Islamic finance, based on Islamic Shariah, might benefit significantly by using widely used financial technology (FinTech) in Bangladesh. Bangladesh Islamic Bank already has announced to use Islamic Fintech in its all operation in the coming days. This will serve as a new landmark for the growth of Islamic finance in Bangladesh (S. Islam, 2020).

The wave of technology has spread all over the world recently. Technology seems to have become a key factor in the future growth of the financial services industry. Developed countries use technology as part and parcel of their economies (R. Hasan, Hassan, & Aliyu, 2020). Developing country like Turkey has been emphasizing more on Islamic fintech for some years. In the age of competition, fintech technology puts companies ahead. Adjusting with the world's Islamic finance system, Turkey has been using the Islamic fintech system for recent years (TheCityUK & Istanbul, 2019). The emergence of Islamic fintech in Turkey begins with the central banking applications. Since participation banks have to develop their core banking applications, the first opportunity arises here. Participation bank Kuvveyt Türk's opened its infrastructural product in 2015 named Architect financial technology which already has become an infrastructure used in half of the participation banks and is spreading as the first Islamic financial technology product exported abroad (Peyton, 2019). In order to reach new customers Turkey's participating banks are investing in FinTech. Borsa Istanbul, which already supplied investors with Sharia-compliant products, is working together with the government to promote Islamic finance, capital markets and FinTech in Turkey (Gün, 2020).

2. Methodology

2.1 Research Method and Data collection

This paper designed with the qualitative methods and secondary data basis. Data has taken from various official & annual reports, papers, studies, websites, and other sources. Notably, data were taken from the Global Islamic Fintech Report (2019), Salaam Gateway, The City Bank

(UK), Bursa Istanbul, Thomson Reuters, Bangladesh Telecommunication Regulatory Commission, Bangladesh Bank Data (Mobile Financial Services), Participation Banks Association of Turkey (TKBB), Islamic Fintech Report 2018 for this study regarding of opportunities of Islamic FinTech: The Case of Bangladesh and Turkey.

2.2 Objectives of the Study

This article focuses on studying Islamic fintech operations in Bangladesh and Turkey. At the same time, activities of Islamic fintech be studied and finally, this paper also defines the possibility of Islami fintech in the Bangladesh and Turkey.

2.3 Focus Study

Over the past decade, we have observed that technology has changed finance around the world. This technology has bought the huge opportunities, and these opportunities could be no more than in developing and emerging markets. However, things in the fintech world seem a bit difficult for now due to legislation and regulations. The Islamic economy, which is just at the beginning of its growth journey, offers many opportunities for fintech. Parallel to the development of the fintech industry in the world, the Islamic economy area also has excellent potential. The Islamic FinTech is developed as a FinTech faith based. It is because Islamic FinTech has agreed in its process to follow the Shariah principle. There is consideration of Islamic FinTech in Turkey and Bangladesh upon this basis of its Shariah values. The potential of Islamic FinTech in Bangladesh and Turkey are being discussed in this as well.

2.4 Research Problem

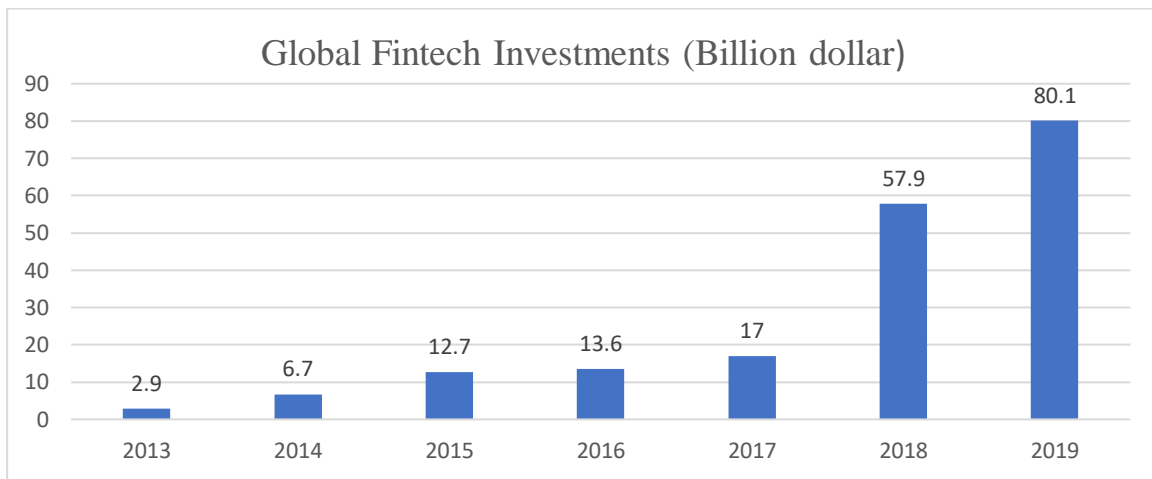
The last global financial crisis happened in 2008, and it has been more than ten years since. But with all Fintech's development, the economic downturn of 2008 even now led to problems and send many nations into a great recession. Developing and emerging markets like Turkey and Bangladesh could not get out of the crisis entirely. Both countries are facing various problems in the use of financial technology.

2.5 Discussion of the Study

Fintech is also often linked to as the combination of computerized innovation and financial services intended to strengthen the productivity of the financial service industry. Technology is currently used extensively to provide financial services (Gün, 2020). FinTech is essentially an abbreviation of financial technology. It is a term used recently for technological advancements

in financial markets. Fintech is the platform of finance, technology, and regulation. Fintech has also adapted modern financial forms and conventional financial forms (Yazici, 2019). Fintech can usually be considered in Islamic Finance in a broader context as Islamic financial services surpass pure banking. The range of Islamic financial services includes Islamic banking, Islamic or takâful insurance, the Islamic stock market, and the Islamic money market (Ahmad & Rakib, 2019). Shariah-compatible fintech emerge in Islamic and non-Islamic nations alike, encouraging to serve millions of young Muslim people and expand funding to the unbanked population. Islamic fintech has gained importance in the background of the coronavirus pandemic (Todorof, 2018).

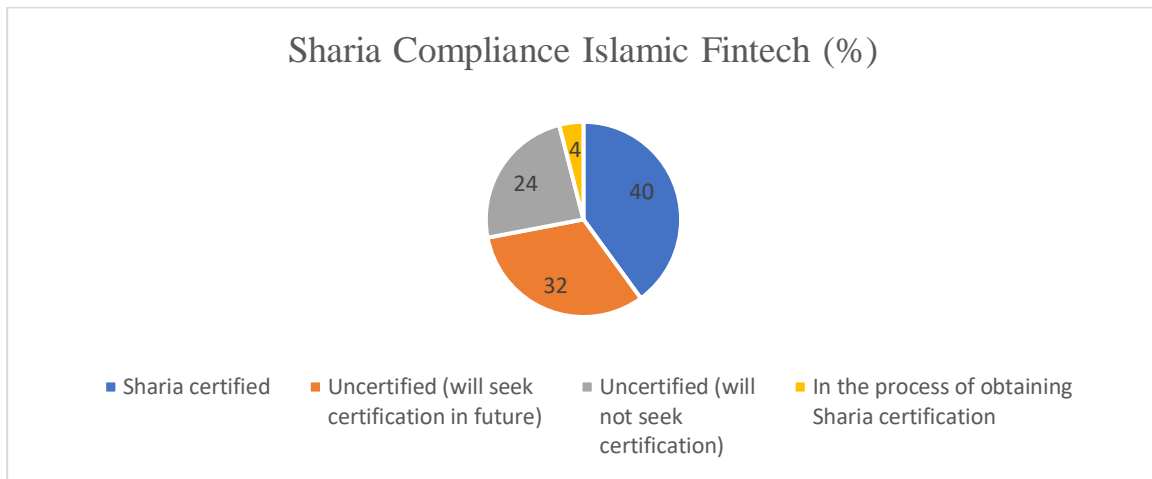
Figure 1: Global Fintech Investments



Source: The Global Islamic Fintech Report (2019)/ The UK Islamic Fintech Panel (Salaam Gateway)

Fintech startups are receiving ever-growing investments on a global scale. Investments, which were 2.9 billion dollars in 2013, reached 6.7 billion dollars at the end of 2014. At the end of 2017, the total investment reached 17 billion dollars. Fintech investments increased surprisingly at the end of 2018 with 340% growth rate. As can be observed from this chart, Fintech investments are increasing, and annual average investments are growing at a reasonable scale.

Figure 2: Sharia Compliance Islamic Fintech Certification



Source: The Global Islamic Fintech Report (2019)/ The UK Islamic Fintech Panel (Salaam Gateway)

This figure shows that 76 percent of Islamic FinTech are Sharia certified, pursuing certification, or looking forward to potential certification, indicating the importance of certification as a compliance marker.

Table 1: Sector wise engagement of Islamic Fintech

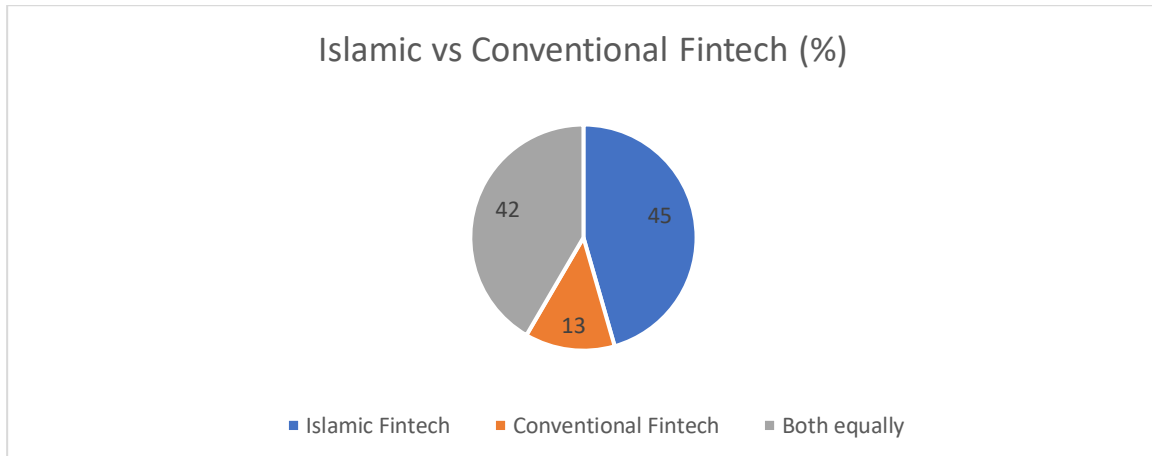
S. N.	Sector Engagement of Islamic Fintech	Percentage (%)
1	Peer to Peer (P2P) / Crowdfunding	64
2	Blockchain / Crypto	40
3	Payments / Remittances	38
4	Know Your Customer (KYC) / Anti-Money Laundering (AML)	28
5	Investment / Asset Management	26
6	Identity	25
7	Robo-Advisory / PFM	25
8	B2 B Financial Software	24
9	RegTech	23
10	AI / ML / Data & Analytics	23
11	Challenger Banking	18
12	Lending	18
13	Sukuk	17
14	Insuretech	16
15	Waqf	8
16	Zakat	8

Source: The Global Islamic Fintech Report (2019)/ The UK Islamic Fintech Panel (Salaam Gateway)

This table demonstrates that more institutions (64 %) have recorded commitment to the Peer to Peer / crowdfunding industry, which is not surprising as the largest sector in Islamic FinTech

to date. Yet Blockchain / Crypt and Payments / Remittances were the only other sectors in which over a third of institutions had dedicated themselves to suggest the absence of FinTech sophistication in institutions of the Islamic economy.

Figure 3: Current Islamic vs Conventional Fintech institutions



Source: The Global Islamic Fintech Report (2019)/ The UK Islamic Fintech Panel (Salaam Gateway)

This graphic shows that most of them (87 %) institutions of the Islamic economy have a clear preference for Islamic Fintech. Another 45% foresee the Islamic FinTech exclusively compared to traditional FinTech.

3. What is Islamic FinTceh

Islamic finance is the managing of dealing with Islamic Shariah law standards. In comprehensive terms, Islamic finance aims to ensure a fair relationship between the parties as well as to ensure that there is a dimension of profit and risk-sharing that encompasses business transactions based on Sharia-complaint (S. B. M. Hasan, 2018). Islamic Fintech aims to offer creative solutions for financial products, services, and investments consistent with Sariah. "Islamic Fintech" seems to be more suitable to show the uniqueness of fintech in Islamic finance, preferably the terms "Sharia' s-compliant Fintech" or simply "Islamic Finance fintech solutions"(Gün, 2020). The application of fintech for Islamic finance includes both the traditional possibilities as well as some various dimensions such as Sharia consultancy, ethical evaluating and the structure of partner-ship products that conform distinctively to Sharia's compliant. "Islamic Fintech" the development of Fintech implementations for Islamic financial services and products will not only be monitored according to the regulations of various jurisdictions, but Sharia's governance should also be emphasized (Todorof, 2018).

4. Current Practice of Islamic FinTech

FinTech is now widely applied in different countries of the world. Financial technology changes the world's economy and the financial sector more rapidly than ever before. In addition to the developed countries, the developing countries are also making progress in the use of FinTech (Bulatova, Potapova, Fathutdinova, & Yandiev, 2019). Islamic Fintech has been the dynamic technology sector since 2010, which represents the growth of the global Fintech ecosystem, with an emphasis on business and consumer finance that comply with Shariah. The prospects for Islamic Fintech are promising with almost 1,400 Islamic financial institutions now in service in 80 countries. In recent years there has been an ever-increasing number of Islamic fintech from 116 in 2017 to 136 in 2019. Malaysia, Turkey, Indonesia, the UAE, the United Kingdom and the United States are the main Islamic Fintech centers spread over various areas such as digital banking, peer to peer finance, crowdfunding, payment and transactions, trading and financial services, property maintenance and blockchain (Lawrence, 2018). In the Islamic finance sector, there are several prominent Islamic Fintech companies including EthisCrowd.com & KapitalBoost.com based in Singapore, Wahed Invest LLC based in the US and yielders based in the UK within the P2P lending, crowdfunding and investment consultancy divisions (Lauria, 2020).

Capital has gradually progressed into an expanding Islamic Fintech ecosystem. The shariah investment startup companies have raised millions of pounds in Europe over the last five years, with Insha also aimed at closing this quarter to around 10 million euros. In specific, London venture capital fund Hambro Perks plans to make massive investments in the Islamic economy in the Middle East and North Africa since they earlier started investing in the Muslim Muzmatch Dating app (Islami fintech) (Panel & Gateway, 2019). Malaysia has a broad public support of the digital economy, which is home to more than 200 Islamic Fintech startups. This number will probably continue to increase, as more organizations of Islamic finance start digital transformation and actively sought partnerships with Fintech. The next movement of growth in Islamic finances is the Islamic Fintech. Throughout its initial stages, most Islamic Fintech is addressing the problems of financial disparity, poor customer service, as they face and expand an opportunity of 1.8 billion people (Panel & Gateway, 2019).

5. Concept and Current Practice of Islamic FinTech in Bangladesh

Technology has made tremendous changes to human livelihoods. People now adopt information technology in various aspects of daily life. The use of technology is growing day by day, mostly in the banking sector in Bangladesh. Although financial technology is still in its

preliminary phase in Bangladesh, and apart from mobile banking services, electronic payment facilities or BillPay, digital commerce payment, and other visible services have been introduced in Bangladesh not long ago (Alhusain, 2018). Cell phones have appeared as an effective platform for several other market activities beyond connectivity and interaction (Ali & Mohamed, 2018). Banking services can also be provided to those with no bank account. In recent years, mobile banking fintech firms like bKash have been on top in Bangladesh. Besides bKash, there are many other companies like NOGOD, MCash, Tcash, and Ucash, even though their market value is not high (Rubaiyat, 2020).

Bangladesh is a Muslim majority country that has tremendous potential for Islamic FinTech. Islamic Fintech has contributed to both transforming modern finances and reforming the conventional forms of finance in Bangladesh. Before the advent of Bkash, the number of mobile phone users in Bangladesh in 2011 was 63 million, which became 143 million in 2017, according to the Bangladesh Telecommunication Regulatory Commission (BTRC). The country currently has eight full-fledged Islamic banks, 35 Islamic bank windows from traditional banks. Islamic banking comprises almost 24% market share of the entire banking industry in Bangladesh (Ahmed, 2019). With such a significant market share, if Bangladesh's Islamic banks can deliver their service to consumers through the FinTech facility, large group customers will show up to them. Although Islami Bank Bangladesh Limited (IBBL) did not have much advantage over its "MCash" mobile banking service. Al Arafah Islami Bank has recently launched its "Islamic Wallet" mobile app, but so far, it has not been able to reach many customers (Holy, 2020). Suppose those Islamic banks can carry out banking through their mobile apps. In that case, this massive Bangladeshi Muslim population will become more attractive to Islamic banking, and Islamic FinTech will be an enormous success in the country's Islamic banking.

6. Concept and Current Practice of Islamic FinTech in Turkey

Turkey has high potential for Islamic finance in comparison to other Muslim countries, with 51 billion dollars of investment in financial assets size withholding 9th position. However, when looking at total banking assets, participation banks have a market size of 5-6% compared to deposit banks. It is observed that the current situation of Islamic fintech in the context of participation finance in this country, which is relatively less compared to the development of financial technologies (Panel & Gateway, 2019). In 2015, Kuveyt Turk's participating bank started its infrastructural product Architect Financial Technology, which already has become a half-participating bank infrastructure, and is being enlarged as the first IFT product exported

overseas. Turkish participation banks are investing in FinTech to reach new customers. Borsa Istanbul also gives investors Sharia products to support Islamic finance, money markets and FinTech in Turkey with the government (TheCityUK & Istanbul, 2019). Albaraka participation took first FinTech initiative; they offer interest-free digital bank Insha services through Solaris Bank, and the initiative is preparing to celebrate its first anniversary in Germany soon. The Working Group is funded by TheCityUK, a UK-based financial service industry group, and the Borsa Istanbul stock exchange in recent times (TheCityUK & Istanbul, 2019). Following Kuveyt Türk's digital and branchless banking application for young people launched in 2015, Albaraka Türk launches its Insha digital banking application in Germany in 2018 through the innovative model of banking as a service (Panel & Gateway, 2019).

In addition, in 2018, a partnership is formed between Kuveyt Türk and Vakıf Participation and Teknogirişim Venture Capital Investment Fund, managed by KT Portföy, and the Albaraka Fintech Venture Capital Investment Fund managed by the Albaraka Portfolio. When it considers for this period, the new generation of digital banks is on the rise that participation banks have taken steps in this regard (Gün, 2020). Considering that fintech's will grow with open banking, Kuveyt Türk announced its API (Kind of fintech software) market with 75 APIs in 2017. Albaraka Türk launched its portal with 29 API. It is found that other participation banks have not taken any concrete steps yet. In response to Turkey for the first time in 2014, Türkiye Finance, TFX (TFX is a Google-production-scale machine learning (ML) platform based on TensorFlow) Target application has launched a policy by publishing the industry.

The Kuveyt Türk launched TradePlus application in 2019, that was remarkable a breakthrough in the banking sector (Panel & Gateway, 2019). Offering a mobile wallet and POS in a separate application for the first time in the industry, Albaraka Türk's Alneo application started to be traded in 2019. As of 2020, two new applications of Kuveyt Türk in terms of financial technologies were launched. Albaraka Türk has established the AlbarakaTech company to increase its financial technology investments (Lauria, 2020). A portfolio company named Maqasid is trying to create a venture capital and high investment network in terms of interest-free finance, trying to contribute to this field. Financell can be mentioned last in the context of Islamic financial technologies. Turkcell states that it has established an initiative in line with participation finance principles. Moreover, Financell applies the microfinance method with BOA participation financing technology in Turkey. It is noticed that the Islamic financial establishment is increasing by fintech operation more participation banks in Turkey (Panel & Gateway, 2019).

7. The Possible Opportunities of Islamic FinTech for Both Countries

Islamic banking assets in 2017 amounted to \$1.7 billion and are forecast to hit \$3.8 billion by 2023. This growth is driven by rising demand for sharia-compliant product in emerging markets, and the industry is improving the ability to deliver that demand FinTech increases access to finance worldwide, and evidence indicates that it will have a substantial effect on Islamic finances. Although the Islamic Fintech ecosystem has developed considerably, peer-to-peer finance has concentrated on responding to the essential need of allowing Shariah-compliant financing more available for enterprises and consumers (Panel & Gateway, 2019). However, there remain many gaps as regards demand and market potential, such as ecosystem gaps.

7.1 Opportunities of Opening Many Startups Program for Both Countries

Islamic Fintech start-ups were the first way to offer innovative digital Islamic financial solutions with a fast-emerging ecosystem. Islamic fintech start-ups business program is being supported, committed frameworks and institutes that promise to catalyze funding and strengthen business proposals in Turkey and Bangladesh (Firmansyah & Anwar, 2018). Partnerships basis Islamic FinTech, have been taken more opportunities to Islamic finance and Islamic Banks, particularly in Turkey and Turkey. With the support of numerous IT entrepreneurs, the Islamic finance industry in Bangladesh is currently using Shariah-compliant fintech to execute financial tasks and workflows more effectively through technological innovations (Elasrag, 2019). It is noticed that many possible futures have created it for starting a new business in Bangladesh.

7.2 Promotes Digital Efficiency for Companies and Investors in Both Countries

Big data, blockchain-based digital agreements, insurgents, and artificial intelligence (AI) all provide a chance for Islamic financial players to adopt signs of these technologies (Abojeib & Habib, 2019). Further emphasis on smart blockchain agreements may promote the growth of Islamic fintech as this technology improves product quality, productivity and competitiveness compared with traditional peers (M. R. Islam, 2019). Takaful technology can be very fruitful in Turkey and Bangladesh considering with pricing, product design, processing, and distribution channel in terms of claims. Bangladesh's private commercial bank, Islami Bank Bangladesh Limited (IBBL) has decided to build its Fintech platform to transform IBBL into a Fintech-based bank that adheres to global standards (S. Islam, 2020).

7.3 Enables to Offer Business Diversity and Inclusion for Both Countries

Islamic fintech is developing a rising range of online payments, e-wallets, insurance, and exchange services through mobile phone applications. In addition to product delivery, Islamic fintech companies assure technologies to support Islamic finance by driving efficiency and minimizing costs (Alam, Gupta, & Zamani, 2019). In this context, Islamic fintech technologies enable to create more opportunities for business diversity and inclusion in Turkey and Bangladesh. Islamic Fintech will much support for Bangladesh and Turkey. Both countries have massive young men who can adopt this technology more efficiently. Many entrepreneurs come up with innovations to promote Bangladesh and Turkey's financing market (M. R. Islam, 2019).

7.4 Generates Some Financial Security in Both Countries

In the Islamic Fintech ecosystem, it is also essential to be a part of the involvement of shariah board and shariah scholar, including, fintech startups, technology developers, governments, financial customers, and other traditional financial institutions (Yazici, 2019). It ensures some financial security for many countries by the involvement of business partners with the Islamic fintech ecosystem (Noronha, 2020). During the era of digital technology, Islamic Fintech is now demanding time to get involved in traditional finance. Islamic FinTech will decrease the risk of error and partiality, which is one of the critical issues in financial transactions for both countries. Furthermore, Islamic FinTech can easily detect financial fraud. Banks now invest heavily in emerging technology. Banks are increasing their business to encourage innovation and adopt new technology and management skills by implementing Islamic FinTech in both countries (M. R. Islam, 2019).

7.5 Open Many Opportunities for Both Countries

There are some observations for Islamic finance to implement fintech actively in Turkey and Bangladesh that has created some opportunities in recent years. Islamic FinTech offered affordable solutions for businesses and startups that help to reduce costs and improve business operations in both countries (Lauria, 2020). Islamic Fintech and digital technology could enable Islamic finance to achieve very fast (and perhaps cheaper) without physical presence and distribution for both countries. The adoption of Islamic FinTech would be a very appropriate way of coping with Bangladesh and turkey's current sustainable development. Islamic FinTech can be used as an effective way to enhance connectivity to other sectors beyond financial

services including agriculture, infrastructure, health, education, and renewable energy in both countries (Noronha, 2020).

7.6 Islamic Fintech Helps to Address Financial Inclusion for Both Countries

According to the World Bank, about two billion unbanked adults are now being granted access to financial solutions with the advent of fintech. At present only 27% of the 600 million inhabitants of Southeast Asia (SEA) in this region have a bank account, and nearly 40 per cent of those without banks are Muslims. These serves in addressing financial inclusion as a boost for Islamic Fintech in Turkey and Bangladesh. A significant benefit of Islamic fintech is that it offers consumers and end-users more efficiency, quicker and general experience for both countries (S. B. M. Hasan, 2018). Islamic Fintech can be considerably improved for the payment process in Bangladesh and Turkey. The payment processing time for exports and imports would be quicker, thereby speeding up economic growth (Irfan & Ahmed, 2019).

8. Findings and Recommendations of the Study

Fintech's latest developments on the Islamic capital market have seen a substantial rise in the acceptance with leading jurisdictions providing Islamic financial services in technology and innovative solutions. Acceptable Islamic FinTech has boosted access to products consistent with Sharia law that bring millions of people into the financial system. The application of FinTech is relatively positive in Islamic finance. FinTech offers quite personally designed choices. With many more opportunities, customers appreciate more cost-effective financial services. Islamic financial institutions of Turkey and Bangladesh have improved their performance, transparency, and customer satisfaction by implementing Islamic FinTech in recent years. The study finds that the Islamic Fintech activities in both countries are more helpful to the understanding of fintech activities for the academy, business, regulators, investors and other FinTech users. Islamic fintech might not only play a huge role in fighting poverty and hunger, but it will also enhance health and education, promoting sustainable cities, mitigating global climate change, and protecting the oceans and forests.

The bank sector of Turkey has developed (Islamic) participation and aims for a domestic market share of 15 percent before 2025. Turkish adults about 43% do not have a bank account, providing Islamic FinTech opportunity this gap can be decreased at a minimum rate. The next wave of Islamic financial growth could be driven by the deployment of sharia-compliant financial solution through digital channels. Islamic Fintech is ready to provide financing to a young, middle class, primarily overlooked Muslim population and to find the ethical financial

solutions at the expense of mainstream finance. The implementation of Islamic FinTech in countries, particularly developing countries such as Bangladesh and Turkey, will help boost economic growth, but this will increase regulators' workflow as they need to ensure financial system stability and protect it from fraud/crisis. The usage of FinTech in Islamic finance is in its infant stage, only with relatively few participants in Turkey and Bangladesh. Furthermore, the likely changes to classical Islamic finance should never be ignored.

9. Conclusion

Fintech has revolutionized the globe's financial, industrial, and social sectors. This industry has increased in recent years after the advent of mobile payments, online banking, and cryptocurrencies. It is possible to deliver much more excellent and improved services at affordable prices through FinTech. Customers may get a range of services from home. The use of technology saves both time and expense to the customer. The next wave of growth for Islamic finance can be propelled using sharia-compliant financial solutions through digital channels. Islamic fintech is ready to provide financial services sought by the young, middle-class people who are ignored mainly from financial technology particularly in Turkey and Bangladesh. Those seeking ethical, fast, and costly financial solutions for modern finance. Besides the benefits mentioned above, there are some barriers to the spread of Islamic Fintech in Bangladesh. Since FinTech services are accessible to consumers through smartphone devices, there are security concerns where less educated people go to others to assist them using cell phones and being deceived by others.

On the other hand, there are legal challenges as there is no specific Islamic banking or finance regulation in Bangladesh. Despite several other challenges, with the support and guidance of the technologically advanced Muslim countries like Turkey and Bangladesh can be a field of enormous potential for Islamic FinTech. In this case, it is seen that two or three leading participation banks attach more importance to Islamic financial technologies, while other participation banks of Turkey established in recent years have not taken serious steps yet. Considering the goals of making Istanbul attractive for both Islamic finance and fintech center, it is suggested that Islamic fintech should also become a center of attention for Istanbul. Both Turkey's position can also become practically a hub of Islamic technological and financial capacity. In this regard, industry stakeholders, public institutions, and participation banks are obliged to activate this potential both financially and financial literacy.

References

- Abojeib, M., & Habib, F. (2019). Blockchain for Islamic Social Responsibility Institutions. In *FinTech as a Disruptive Technology for Financial Institutions* (pp. 221-240).
- Ahmad, S. M., & Chowdury, S. R. H. (2020). Interest-free Financing: An Overview of Interest-free Finance in Turkey and Bangladesh. *International Journal of Social, Political and Economic Research*, 7(2), 272-291. doi:10.46291/IJOSPERvol7iss2pp272-291
- Ahmad, S. M., & Rakib, A. M. Z. (2019). Islamic economy: Can it be an alternative to socialism and capitalism? *International Journal of Social and Humanities Sciences (IJSHS)*, 3(3), 11-32.
- Ahmed, S. (2019). The Market Share of Islamic Banking System in This Country Is Increasing Day by Day. *Fintech*
- Alam, N., Gupta, L., & Zamani, A. (2019). *Challenges and Success Factors for Islamic Fintech*.
- Ali, H., & Mohamed, H. (2018). *Blockchain, Fintech, and Islamic Finance: Building the Future in the New Islamic Digital Economy*.
- Bulatova, E. I., Potapova, E. A., Fathutdinova, R. A., & Yandiev, R. C. (2019). The Fintech And Islamic Finance Synthesis in The Modern World. *3C TIC. Cuadernos de desarrollo aplicados a las TIC*. doi:10.17993/3ctic.2019.83-2.258-273
- Elasrag, H. (2019). Blockchains for Islamic finance: Obstacles Challenges. *Munich Personal RePEc Archive*.
- Firmansyah, E. A., & Anwar, M. (2018). Islamic financial technology (fintech): its challenges and prospect. *Advances in Social Science, Education and Humanities Research (ASSEHR)*, 216.
- Gün, M. (2020). *The Path to FinTech Development Research on Islamic Finance in Turkey*. Pennsylvania, USA: IGI Global.
- Hasan, R., Hassan, M. K., & Aliyu, S. (2020). Fintech and Islamic Finance: Literature Review and Research Agenda. *International Journal of Islamic Economics and Finance* 3, 75-94. doi: <https://doi.org/10.18196/ijief.2122>
- Hasan, S. B. M. (2018). How to Understand Islamic Fintech in Simple Terms?
- Holy, I. J. (2020). Deep Dive into FinTech Innovation in Bangladesh. *Market-insight*.
- Islam, M. R. (2019). Seamless Finance and Opportunities Fintech In Bangladesh.
- Islam, S. (2020). IBBL to launch global standard FinTech banking. *The Financial Express*.
- Lauria, V. (2020). Islamic Fintech Startups on The Rise in Southeast Asia.
- Lawrence, J. (2018). UK Islamic Fintech Panel Launched.
- Noronha, M. (2020). Islamic fintech: Reaching the next generation of Muslims.
- Panel, T. U. I. F., & Gateway, S. (2019). *The Global Islamic Fintech Report*. Retrieved from UK, London:

- Peyton, A. (2019). UK and Turkey push Islamic finance through fintech. *Fintech Future*.
- Rubaiyat, T. (2020). Future of Fintech in Bangladesh. *The Daily Sun*.
- Saba, I., Kouser, R., & Chaudhry, I. S. (2019). FinTech and Islamic Finance-Challenges and Opportunities. *Review of Economics and Development Studies*, 5.
- TheCityUK, & Istanbul, B. (2019). *UK-TURKEY, Islamic FinTech Working Group: Case studies and insights*. Retrieved from UK, London:
- Todorof, M. (2018). Shariah-compliant FinTech in the banking industry. *Springer*, 19, 1-17. doi:10.1007/s12027-018-0505-8
- Yazici, S. (2019). The Analysis of Fintech Ecosystem in Turkey. *Journal of Business, Economics and Finance (JBEF)*, 8(4), 188-197. doi:DOI: 10.17261/Pressacademia.2019.1162