Implementation of Late Payment Fines on TikTok PayLater: A Perspective of Islamic Economic Contract Law

Tri Aprinia Astutik [1,b] Saifuddin [2,b]

[a,b] Universitas Nurul Jadid;
[1] apriniaastutik@gmail.com ; [2] sailmuda@unuja.ac.id ;
* Corresponding Author; apriniaastutik@gmail.com

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ABSTRACT

This study employs a qualitative approach using a normative-juridical method based on library research. The method was selected because the study focuses on the legal analysis of late payment fines in the TikTok PayLater service based on the principles of Islamic economic law, particularly the concepts of ta'widh and gharamah. This study aims to analyze the implementation of late payment fines in TikTok PayLater as one of the rapidly growing Buy Now Pay Later (BNPL) systems within the digital financial ecosystem. The practice of imposing late payment fines has become an important issue because it potentially contains elements of riba, gharar, and injustice from the perspective of Islamic contract law.The novelty of this study lies in its specific focus on TikTok PayLater as a digital financing service integrated with social media platforms, which has received limited attention in previous Islamic economic law studies. In addition, this research contributes academically by providing a juridical analysis of late payment fines through the concepts of ta'widh and gharamah based on DSN-MUI Fatwa No. 17/DSN-MUI/IX/2000.The results indicate that, formally, the fine provisions have been agreed upon in digital contracts. However, substantively, their implementation still has the potential to conflict with sharia principles, particularly regarding the verification of customers' financial capability and the transparency of fine fund management. This study also highlights the practical implications for regulators, fintech providers, and consumers. Regulators are encouraged to strengthen supervision and establish clearer sharia-based regulations for digital financing services, while fintech providers should improve transparency and fairness in the implementation of late payment fines. For consumers, this study provides a better understanding of the sharia compliance aspects of PayLater services. Therefore, clearer and more transparent mechanisms are required to ensure that the implementation of gharamah and ta'widh remains consistent with the principles of justice in Islamic economics.

Introduction

Development technology financial (fintech) has bring change significant in system modern payments as well create various innovation service digital finance that makes things easier transaction society . One of the growing innovation rapidly is Buy Now Pay Later (BNPL) service or PayLater , which allows users do purchase moreover first and do payment later day through system instalment and settlement at the same time . Presence service This give convenience and flexibility in activity the increasingly digital economy increasing in Indonesia. (Fazira & Muslih, 2026)

In a way normative , legal agreement Islamic economics emphasizes principle justice (al- ' adl), willingness (taradhi), and transparency , as well as forbid practice usury , gharar , and maysir in transaction economy . In the DSN-MUI fatwa No. 17/DSN-MUI/IX/2000 it is explained that fine delay allowed as form sanctions for capable party However on purpose postpone payment , with provision that the funds No become profit institution financing but allocated For interest social .

One of the participating platforms present service the is TikTok PayLater . The TikTok platform that was previously known as a medium of entertainment and content creative now penetrate sector digital finance with provide facility financing transaction . Transformation This show development an increasingly digital ecosystem integrated between social media , commerce electronics and services modern finance. (Azis et al., 2025) Although offer convenience , service PayLater also raises various problem in perspective law sharia economy . One of the issue main is implementation fine delay payment charged to users who do not fulfil obligation appropriate time . Additional outside costs the principal of the debt potential contain element usury and gharar as well as cause injustice in connection agreement between the parties . (Munawarsyah, 2024)

The emergence of financial technology (fintech) according to (Maksum et al., 2023) provides alternative new in system more payments practical , fast and easy accessible to the public wide . One of the growing innovation rapidly is Buy Now Pay Later (BNPL) services or better known with PayLater Services This allows users For do purchase goods or service moreover first and pay it off later good day in a way at a time and with installments . In Indonesia, the service PayLater the more in demand along with increasing activity online shopping via e-commerce or other digital applications . Shopee, Lazada, Gojek , Traveloka, to application entertainment like TikTok now provide facility Integrated PayLater with system digital payments .

The presence of TikTok PayLater become phenomenon interesting because of this platform initially known only as a medium of entertainment and content creative , but now also expanding to sector digital finance . This is show that PayLater has become part from style life society , especially generation millennials and Gen Z who tend to consumptive and prioritize convenience . Based on authority data service finance (OJK), until May 2025 the total distribution credit paylater in Indonesia has reached Rp. 21.89 trillion with amount account active around 24.8 million . Payment rate non-performing loans (NPF) recorded is in the range of 2.8%-3.7%, and the survey show around 42% of users experience fail pay . This is confirm that although paylater considered solution practically , the risk Enough tall specifically for generation young people dominate users service this . As for TikTok paylater alone , a number of report users mention existence fine delay start from Rp. 5,000 to Rp. 50,000 per day or in form eight percent of the total monthly installments . Practice addition cost This cause question important Whether mechanism fine the in accordance with principle law Sharia agreement or precisely contain element usury and gharar . (Bank-Paylater-Credit-Grows-High-To-Touch-Rp2189-Trillion-as-of-May-2025, nd)

However , behind its popularity , service PayLater bring up various problematic law , especially in perspective sharia economy . One of the the most crucial issue is implementation fine delay payment . In in practice , providers service PayLater usually wearing fine 2 % to 8% of the total bill if users No pay appropriate time . Fine the cause question , because contain addition outside costs obligation potential principal debt including category usury . From the side law Islamic agreement , transaction economy must based on a valid contract , with fulfil terms and conditions that include existence ijab-qabul , clear objects , as well principle willingness between the parties. (Cahyadi, 2021) The principle emphasized in law Islamic economics is justice (al-' adl), willingness (taradhi), and transparency (shafwah), as well as prohibition existence element usury (additional falsehood), gharar (uncertainty) , and maysir (speculation). Additional in the form of fine delays outside principal debt often categorized as usury , so that viewed contradictory with Islamic law . (Ilmi Al Fauziah, 2022)

Besides that , DSN-MUI fatwa No. 17/DSN-MUI/IX/2000 explains that imposition fine delay in transaction allowed only as form ta'zir for capable debtors but postpone payment with intentionally . However , the fine the No may become profit provider service , but rather must distributed For interest social . Provisions This become runway important in evaluate validity practice fines on digital services such as TikTok PayLater . However , in field practice , mechanisms the Not yet fully implemented . This is cause question whether implementation fine delay on TikTok PayLater Already in accordance with sharia principles or precisely contradictory with him . (Agustina, 2022)

Phenomenon This show that presence service PayLater , although offer convenience , no let go from sharia risks that must be anticipated . In perspective law agreement sharia economics , the underlying contract service PayLater must analyzed in a way in-depth : what the contract used shaped qardh (loan), ijarah (rent), or murabahah (selling) buy with margin). (Murabahah, 2024) This important Because every contract own consequence law different related validity fine delay .

If fine the categorized as additional outside obligation principal , then matter That including clear usury prohibited . However , if fine placed as moral sanctions (ta'zir) and their results allocated For objective social , then practice the Still can accepted in accordance sharia provisions . Therefore that , study about implementation fine delay on TikTok PayLater No only emphasize on aspects finance , but also on the aspect law upholding sharia agreements principle justice , consent and openness . Analysis This important For give clarity law to Muslim society in use service digital finance . With existence study this , it is hoped can found answer whether implementation fine delay on TikTok PayLater in line with principle law sharia economics or precisely contradictory with him , and How should mechanism This implemented so that it does not go out from provision Islamic law. (Sativa & Baidhowi, n.d.) Previous studies discussing PayLater services have generally focused on e-commerce platforms such as ShopeePayLater, Lazada PayLater, and other conventional digital financing services. Research conducted by (Ilmi Al Fauziah, 2022), for example, analyzed Shopee PayLater transactions from the perspective of Islamic economic law, particularly regarding the elements of riba, qardh contracts, and late payment fines.

Other studies by Khairunnisa Handayani emphasized the social impacts, consumptive behavior, and the potential for riba in PayLater usage in general. However, previous studies tend to focus more on general sharia compliance and consumptive behavior rather than analyzing the implementation of late payment fines within the framework of Islamic economic contract law. In addition, studies specifically examining TikTok PayLater are still very limited, even though TikTok PayLater has unique characteristics because it is integrated with social media platforms and digital lifestyle ecosystems. Previous research also has not comprehensively analyzed the implementation of ta'widh and gharamah concepts in the mechanism of late payment fines based on DSN-MUI Fatwa No. 17/DSN-MUI/IX/2000. Therefore, a research gap still exists regarding the legal status and sharia compliance of late payment fines in TikTok PayLater services. (Munawarsyah, 2024)

The originality of this study lies in its focus on TikTok PayLater as a relatively new digital financing service that has not been widely discussed in Islamic fintech literature. Unlike previous studies that mainly analyzed PayLater services in e-commerce platforms, this research specifically examines the implementation of late payment fines in TikTok PayLater through the perspective of Islamic economic contract law. This study not only discusses the existence of fines but also analyzes the contractual aspects underlying TikTok PayLater transactions and evaluates their conformity with the principles of justice, transparency, ta'widh, and gharamah in Islamic economic law. Based on the background above, this study aims to analyze the implementation of late payment fines in TikTok PayLater from the perspective of Islamic economic contract law, particularly concerning the concepts of ta'widh and gharamah. This research also seeks to evaluate whether the fine mechanism implemented by TikTok PayLater reflects the principles of justice, transparency, and sharia compliance in digital financial transactions. (MUHAMMAD, 2024)

Based on description said , the author interested For do analysis deep about mechanism implementation fine delays in the TikTok PayLater service . This study focused For examine suitability mechanism fine the with principle Islamic economics , in particular in draft ta'widh and gharamah . Besides that , research this also aims evaluate whether implementation fine has reflect principle justice as well as compliance to law agreement Islamic economics in practice transaction digital finance . Therefore that , is necessary study comprehensive use know to what extent the mechanism fine delay on TikTok PayLater in line or precisely contradictory with sharia principles.

Method

Study This use approach qualitative with method normative-juridical based studies library research. Method This chosen Because study focus on analysis law to practice fine delay in TikTok PayLater service based on principle law Islamic economics , in particular draft ta'widh and gharamah in jurisprudence muamalah . (Saebani et al., 2021) Meanwhile that , Approach normative used For examine provision Islamic law and law positive related with practice fine delays , whether there are in fatwa, regulation digital finance , as well as regulation legislation . Meanwhile that , approach conceptual used For understand concepts in jurisprudence transactions , such as contract , prohibition usury , principle justice , and draft ta'widh and gharamah in transaction economy .

Data collection techniques were carried out through studies library and analysis documents , including review to Terms and Conditions TikTok PayLater service . Data analysis was performed in a way qualitative with method descriptive-analytical , namely with describe mechanism fine delay , analyze it based on principle law sharia economics , as well as compare existing practices with applicable sharia norms. (Amelia et al., 2023) Research This No using primary data such as interview or observation field , but rather fully based on studies literature and documents relevant laws . (Hellyanita, 2024)

Results and Discussion

Results

Amount Users TikTok in Indonesia

Year	Amount Users TikTok Paylater
2018	± 10 million users
2019	± 22 million users
2020	± 30 million users
2021	± 63 million users
2022	± 92 million users
2023	± 109.9 million users
2024	± 126.8 million users
2025	± 132 million users (estimate)
2026	± 138 million user (projection)

Based on the table above , the number users TikTok in Indonesia experience significant improvement since in 2018, increase This show that TikTok be one of digital platform with growth fastest in Indonesia . Data from Data Reportal show that amount users TikTok in Indonesia has reach more from 100 million users in 2023 and on increase in 2024. (Zahra, 2023)

The height amount users TikTok the become base development as feature addition in platforms , including service digital finance in the form of TikTok paylater which will be available in 2024. This show that the more big amount users something platoofrom , then the more the potential is also great development services in it .

User Status TikTok Paylater

Until moment this , the party TikTok and institution authority related amount Not yet publish official data about amount or presentation specific users TikTok Paylater in Indonesia. Therefore that , research This No use number percentage certain as quantitative . However so , with the user base Tiktok that reaches

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hundreds million users , TikTok Paylater service own potential significant penetration in ecosystem national digital financing . (SAFITRI, 2025)

Mechanism Fine Delay TikTok Paylater Payment

Mechanism fine delay in TikTok PayLater service started from existence agreement digital financing between users and providers services that load obligation payment in accordance with amount bill and date maturity that has been agreed . After users do transaction use facility paylater , then users obliged pay off bill appropriate time in accordance applicable provision . If users No fulfil obligation payment until past the specified time limit , then will arise consequence in the form of imposition fine delay as form not quite enough answer on default . (Deviniati, 2024) Imposition fine the is part from mechanism management risk in service digital financing as well as aim For guard discipline payment users . During the delay period ongoing , costs other related additions with service can still walk so that the total bill potential increase along duration arrears payment . (Azis et al., 2025)

Table Analysis Compliance Based on Draft Gharamah and Ta'widh

Provisions of DSNMUI fatwa No. 17/2000	**Practice TikTok paylater**	**Compliance**
Gharamah only charged to customers capable of doing it on purpose postpone payment	Fine charged automatic without verification ability or element intentional	Potential No in accordance
Ta'widh only For replace loss actual loss	Amount of fine shaped percentage / fixed and not explained as loss real	Potential No in accordance
Proceeds gharamah No may become profit institutions and allocated for social funds	No there is transparency public about fine fund management	Have not got it yet confirmed
Profit fine must agreed in contract	Listed in digital terms and conditions before use service	In accordance

Discussin

Analysis Fine Delay Payment TikTok Paylater

Organizer service loan based technology in matter This is a TikTok platform through TikTok PayLater service that works The same with A institution financing . There is connection law between organizers and parties funder (institution financing) in form agreement Work The same provision service digital financing .

Agreement the made Because party willing funders tie up self to organizer For distribute funding to user who submitted facility PayLater through the TikTok platform. Agreement Work The same This become base First formation connection borrow borrow between users and parties financing . (Hadi, 2022)

Agreement financing between TikTok PayLater users and other parties funder applies after limit application approved as well as users agree Terms and Conditions use service . Agreement the shown through digital confirmation in system application before transaction done . Agreement This produce rights and obligations for the parties involved . (Salsabila & Yazid, 2025) Organizer must give access information to users related use facility financing , including the amount financing , costs service or flowers , and term time payment . While that , user must do payment in accordance with amount bills and tenors that have been agreed in TikTok PayLater system . Risk the first one directly can is fine or cost delay . Magnitude fine This usually varies depends on the provider service paylater , however generally range between IDR 5,000 to IDR 50,000 per day , or Can counted based on presentation certain from amount bill . (Prastiwi & Fitria, 2021)

DSN-MUI Fatwa No. 17/2000 permits fine only For capable customers but on purpose postpone , while the real one No able (force majeure) not may fined . Fine must nature ta'zir (disciplining , not seeking profit), agreed and stated in the contract , and the result ideally so social funds , not profit institution . If applied to tiktok paylater , the fine according to the fatwa means : only For users capable of doing it on purpose late , the amount fair and transparent , and in a draft No made into source profit pure so that No resemble usury . (Mawaddah, 2025)

Understanding Ta'widh and Gharamah

Ta'widh is change make a loss on loss real consequence delay payment , Ta'widh allowed in Islamic economics during the loss real , the mechanism clear in contract , and not made into means For look for profit additional . (Oktaria ardika putri, 2022)

Gharamah is fines imposed Because delay or violation obligation . In sharia, a fine only may given to those who are able but on purpose postpone payment . No may charged to the truly No able . Fine fund should allocated For interest social , not become profit personal . (Diajukan & Hukum, 2021)

The point : Gharamah nature sanctions , whereas Ta'widh nature change loss . Both must in accordance principle justice and transactions in sharia.

CONCLUSION

Based on this study, the implementation of late payment fines in TikTok PayLater has formally fulfilled the contractual agreement because the provisions are stated in the digital terms and conditions agreed upon by users before transactions are conducted. However, substantively, the implementation still has the potential to conflict with Islamic economic law principles as regulated in DSN-MUI Fatwa No. 17/DSN-MUI/IX/2000. From the perspective of ta'widh and gharamah, fines should only be imposed on capable users who intentionally delay payments and should not become a source of institutional profit. In practice, TikTok PayLater imposes fines automatically without clear verification of users' financial capability and with limited transparency regarding the management of fine funds. Therefore, a more transparent and accountable mechanism is needed to ensure fairness, benefit, and sharia compliance in digital financing services. This study contributes to the development of Islamic fintech literature and recommends future research involving empirical data from users and fintech providers for more comprehensive findings.

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