

LEGAL ANALYSIS OF CORPORATE SOCIAL RESPONSIBILITY FUND MANAGEMENT BY FINANCIAL TECHNOLOGY COMPANIES IN INDONESIA

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Abstract:

Mining and plantation sectors have frequently raised legal issues concerning the management of Corporate Social Responsibility (CSR) funds. The financial technology (fintech) sector, which merges financial services with digital technology, is likewise not exempt from CSR obligations. However, unlike traditional extractive industries whose environmental and social impacts are tangible and localized, fintech companies operate predominantly in the digital sphere, rendering their societal effects less direct and more difficult to measure. This condition necessitates a comprehensive legal study on the management of CSR funds within the fintech industry. Employing normative legal research with a prescriptive approach, this paper examines statutory provisions, doctrines, and regulatory frameworks relevant to CSR obligations in Indonesia. The analysis reveals that Indonesian law mandates CSR implementation even for companies whose business activities do not involve natural resource management, thereby allowing CSR programs to extend beyond the immediate corporate environment. Sociologically, this creates an opportunity for fintech companies to direct CSR initiatives toward digitalization programs addressing Indonesia's persistently low digital literacy. Nevertheless, existing regulations contain no fintech-specific provisions, generating ambiguity between mandatory obligation and voluntary practice. The government should therefore formulate a specialized regulatory framework requiring fintech companies to implement CSR programs aligned with national digital development needs, ensuring legal certainty and maximizing social impact.

Keywords: Legal Analysis; CSR; Financial Technology

INTRODUCTION

These profits are used to meet the needs of the company's organization and every individual involved in the company's internal affairs. The financial benefits of a company should be obtained from the magnitude or intensity of the business transactions carried out. A simple example is a company that manages the transaction of buying and selling goods. The more business transactions are carried out, the higher the profit. On the other hand, with low business transactions, the profits obtained are also small. Efforts to secure financial benefits are not limited to optimizing the

company's operational activities. There is one advantage that needs to be pursued in order to increase financial profits, namely, social benefits.¹

Social benefits are benefits obtained from public perception. Social benefits can be obtained through programs directly related to the community's general needs. One of these programs is Corporate Social and Environmental Responsibility (CSR). CSR is a tool to reduce the fact that a company is too focused on carrying out operational activities, but still neglects and even forgets to pay attention to the interests of the community and the environment, as a result of the dominance of the company's operational activities.² The forerunner of CSR began with several large companies in the United States and Europe that pursued a philanthropic agenda by providing public facilities, such as schools, hospitals, roads, and the like. This program is an initiative from the company, not because it is mandated by policies or regulations made by the government, to provide responsibility to companies to carry out CSR.³

Parallel to this market expansion, the legal mandate for CSR statutorily recognized in has evolved from a voluntary, moralistic philanthropic agenda into a strict, mandatory legal obligation (*imperative norm*). In the Indonesian legal system, this corporate duty is codified across several instruments, most notably Law No. 40 of 2007 concerning Limited Liability Companies and Government Regulation No. 47 of 2012.

The contemporary global economy is undergoing a profound paradigm shift driven by digital transformation, inside of which the financial technology (fintech) sector serves as a primary engine of financial democratization and systemic modernization. By fusing financial architectures with telecommunication networks, fintech platforms have radically re-engineered the transaction landscape, optimizing cost-efficiencies and offering fast, accessible, and simple transaction channels. This digitalization acceleration became exceptionally pronounced during the COVID-19 pandemic, where social restrictions forced structural reliance on virtual ecosystems, escalating digital wallet utilization and online transactions exponentially. Even in the post-pandemic era, this dependency remains structural rather than transitory, deeply embedding fintech platforms within the socioeconomic fabric of society.⁴

Simple needs such as food and beverages are met through online buying and selling (e-commerce). In addition to using conventional methods, payments can also be made through digital wallet applications (E-Wallets) such as GoPay, OVO, DANA, and others. The high level of cyber activity during the pandemic is what makes, in just one year, namely in 2020, the number of digital wallet users increased dramatically by 44%.⁵

¹ T F Lombao and F C Freire, "The Corporate Social Responsibility in Public Radio-Television Corporations in Europe," *Cuadernos.Info* 33, no. 1 (2013).

² Nikos Nagopoulos et al., "Case Study: An International Study on CSR in Five Countries (Portugal, Bulgaria, Brazil, India and Greece): Effects on Economic Development, Environmental Sustainability and Social Welfare," in *Towards A Society with a More Fair Economy or an Economy with a More Social Face: The Contribution of Scientific Social Knowledge to the Alternative Models of Socioeconomic Development*, 2015.

³ CA. Neha Verma, "CORPORATE SOCIAL RESPONSIBILITY: Global Evolution & Challenges in India," *International Journal of Research and Scientific Innovation (IJRSI)* IV, no. V (2017): 79–85, www.rsisinternational.org.

⁴ Yingrong Zheng, Hao Dong, and Na Li, "Analysis of the Impact of the COVID-19 Lockdown on Financial Technology (FinTech), Interest Rate Liberalization (IRL) and Commercial Banks' Risk-Taking: Chinese Empirical Evidence," *Applied Economics* 57, no. 2 (2025), <https://doi.org/10.1080/00036846.2024.2302934>.

⁵ Adedapo Oluwaseyi Ojo et al., "Consumer Usage Intention of Electronic Wallets during the COVID-19 Pandemic in Malaysia," *Cogent Business and Management* 9, no. 1 (2022), <https://doi.org/10.1080/23311975.2022.2056964>.

The intensity of using digital platforms remains high even though the pandemic period has ended. People who were required to be technologically literate during the pandemic have made the majority of people more reliant on digital platforms in the post-pandemic period. On the other hand, almost none of the community's members, at either the international or the national level, have a smartphone. People who are used to using e-commerce applications, e-wallets, and the like to meet their daily needs.⁶ The high public interest in the financial technology sector has also made the company highlight in the management of CSR programs.

In laws and regulations in Indonesia, even though they have regulated CSR issues. Especially for companies in the financial technology field, implementing the ideal corporate social responsibility program still poses its own challenges. On the other hand, the company's operational activities differ from those of companies in the mining, plantation, and similar sectors. Companies in the financial technology sector are more preoccupied with cyber activities, which are not directly felt by the public due to the impact of their operational activities.⁷ Therefore, a comprehensive legal study is needed on the management of CSR funds by companies in the financial technology sector.

Extant legal literature and regulatory enforcement paradigms surrounding CSR in Indonesia have historically concentrated on extractive and land-intensive sectors, such as mining and plantation industries. The rationale behind this focus is inherently empirical, these conventional industries exert immediate, visible, and localized damage on the physical environment, ranging from ecological degradation, water pollution, and infrastructural damage to air quality depletion. Consequently, traditional CSR scholarship overwhelmingly analyzes how these physical impacts can be mitigated via localized corporate investments.

Even when conventional non-natural resource sectors (such as manufacturing, brick-and-mortar banking, or conventional transport) are examined, their CSR frameworks remain tied to physical infrastructure interventions, such as building local community centers or establishing localized training programs.

However, a significant research gap persists, there is an absolute dearth of normative legal studies specifically examining the corporate responsibility frameworks of financial technology firms under Indonesian law. Because fintech corporations operate primarily within virtual space, they do not produce conventional physical externalities like environmental pollution or regional infrastructure destruction. Instead, their operations generate unique socioeconomic risks, such as algorithmic bias, systemic digital illiteracy, predatory online lending behaviors, and consumer data breaches.

The novelty of this research lies in its specific focus on this regulatory mismatch. It provides the first comprehensive normative legal evaluation of how traditional, physically-oriented CSR statutes can be reinterpreted and systematically restructured to govern the intangible, cyber-centric realities of the fintech industry. By shifting the legal paradigm of CSR from physical environmental rehabilitation to digital safety and financial inclusion, this study addresses the statutory vacuum that leaves fintech CSR oscillating precariously between mandatory compliance and voluntary public relations.

⁶ Muhammad Khaeruddin Hamsin et al., "Sharia E-Wallet: The Issue of Sharia Compliance and Data Protection," *Al-Manahij: Jurnal Kajian Hukum Islam* 17, no. 1 (2023), <https://doi.org/10.24090/mnh.v17i1.7633>.

⁷ Winda Sofiana, "Influence of Information Technology (IT) on Corporate Social Responsibility (CSR) and Good Corporate Governance (GCG) on Financial Performance," *International Journal of Current Science Research and Review* 05, no. 06 (2022), <https://doi.org/10.47191/ijcsrr/v5-i6-22>.

METHOD

This study employs a normative legal research method with a prescriptive approach to evaluate the internal coherence, statutory gaps, and systemic consistency of legal norms governing fintech CSR programs within the statutory hierarchy, focusing on normative diagnosis rather than empirical trends.⁸ The investigation relies strictly on secondary data structured into a three-tiered hierarchy of legal materials: primary materials comprising binding state instruments, specifically Law No. 40 of 2007 (UU PT), Law No. 4 of 2023 (UU P2SK), Law No. 11 of 2008 as amended by Law No. 19 of 2016 and Law No. 1 of 2024 (UU ITE), Government Regulation No. 47 of 2012, and PBI No. 19/12/PBI/2017 alongside relevant OJK regulations. Secondary materials consisting of peer-reviewed scholarly literature from Scopus, Web of Science, and HeinOnline focusing on Corporate Digital Responsibility (CDR) and ESG compliance and tertiary materials providing terminological clarification via Black's Law Dictionary, the Oxford Dictionary of Law, and the Kamus Besar Bahasa Indonesia (KBBI). Data collection was executed through a systematic literature search across major databases spanning the 2015–2025 publication timeframe, utilizing the precise Boolean search string. The subsequent qualitative analysis applied strict inclusion criteria (peer-reviewed journal articles on voluntary/mandatory CSR, RegTech, and statutory commentaries) and exclusion criteria (empirical environmental science metrics, non-peer-reviewed newspaper op-eds, and general economic reports lacking legal governance components) to ensure structural rigor and academic validity.

ANALYSIS AND DISCUSSION

Legal Implementation of CSR Programs Implemented by Companies in the Field of Financial Technology

The State has created a legal basis for implementing a policy and has done so to provide legal certainty and to compel the public to obey government regulations. The formation of legislation is a manifestation of a country that adheres to the rule of law, including Indonesia. The implementation of CSR programs in Indonesia basically refers to existing laws and regulations.

Especially for companies in the field of financial technology, most are legal entities, namely Limited Liability Companies (PT). As a PT, the company is subject to Law No. 40 of 2007 on Limited Liability Companies in the field of financial technology. According to Article 1, number 3 of Law No. 40 of 2007, Social and Environmental Responsibility (CSR) is “the Company’s commitment to participate in sustainable economic development in order to improve the quality of life and environment that is beneficial to both the Company itself, the local community, and the community in general.” Furthermore, in article 74 paragraphs (1), (2), (3), and (4), it is stated that:

- (1) Companies that carry out their business activities in the field and/or related to natural resources are obliged to carry out Social and Environmental Responsibility.
- (2) Social and Environmental Responsibility, as intended in paragraph (1), is the Company’s obligations that are budgeted and calculated as the Company’s costs, which are carried out with due regard to propriety and fairness.
- (3) Companies that do not carry out their obligations as intended in paragraph (1) are subject to sanctions in accordance with the provisions of laws and regulations.
- (4) Government Regulation further provides for Social and Environmental Responsibility.

⁸ Suteki dan Galang Taufani, “Metodologi Penelitian Hukum,” *Metodologi Penelitian Hukum* (Jakarta: Rajawali Pers, 2018); Soerjono Soekanto, *Pengantar Penelitian Hukum*, n.d.

With reference to the two articles above, the CSR program implemented by PT is for a company engaged in the management of natural resources, such as coal mining, oil and gas, minerals, and plantations. This sector is a business activity that has a concrete impact both environmentally and socially on the community, especially the people around the industrial area.⁹

What needs to be underlined is that, when referring to Article 74, paragraph (1), of Law No. 40 of 2007, it is also stated that companies that carry out business activities related to natural resources must also uphold social and environmental responsibility (CSR). This phrase implies that companies whose business activities do not directly manage natural resources are also required to implement CSR programs. The same is true for the implementation of CSR regulated in Government Regulation No. 47 of 2012 concerning Social and Environmental Responsibility of Limited Liability Companies, which states that every PT is morally responsible for social and environmental responsibility. Then, in Article 3 paragraphs (1) and (2) of Government Regulation No. 47 of 2012 concerning Social and Environmental Responsibility of Limited Liability Companies states:

- (1) "Social and environmental responsibility as referred to in Article 2 is an obligation for the Company that carries out its business activities in the field and/or related to natural resources based on the Law.
- (2) The obligations as intended in paragraph (1) are carried out both inside and outside the Company's environment."

Referring to the article above, companies that do not manage Natural Resources are required to implement CSR, even if the program can be implemented outside the company's environment. Communities whose residences are not located or adjacent to the company's area can also feel the CSR.¹⁰ From a sociological perspective, the regulation related to CSR can mean that digitalization programs can be used, given that the virtual (digital) environment in Indonesia remains at a minimal literacy level.

Some examples of Non-Natural Resources companies that carry out CSR programs include PT. Telekomunikasi Indonesia (Persero) Tbk is a company that focuses on Technology, Information and Communication (ICT) services and networks which has implemented many programs in various fields of education, namely the provision of educational scholarships, health such as Teman Sehat and E-Health Service, Digital such as Coding Village and IndiHome Learning, even in the field of environment is also not spared from the company's programs, namely greening and E-waste management.¹¹ Another company is PT Garuda Indonesia (Persero) Tbk, which is engaged in air transportation (aviation) and conducts training for high school/vocational

⁹ Archana Nath et al., "Corporate Social Responsibility for Sustainable Development," *Indian Journal of Environmental Protection* 39, no. 6 (2019), <https://doi.org/10.1002/pa.230>.

¹⁰ Rina Shahriyani Shahrullah, Elza Syarief, and Nita Chan, "Strategies of Banks in Batam City to Comply with Corporate Social Responsibility," in *Proceedings of the 4th International Conference on Management, Leadership and Governance, ICMLG 2016*, 2016.

¹¹ Gina Andriana et al., "Corporate Social Responsibility Pada Program Indonesia Digital Learning (IDL) PT. Telekomunikasi Indonesia," *PROfesi Humas Jurnal Ilmiah Ilmu Hubungan Masyarakat* 4, no. 1 (2019), <https://doi.org/10.24198/prh.v4i1.19506>.

school graduates from underprivileged families and people with disabilities through its CSR program, Garuda Indonesia Peduli.¹²

Given the programs implemented by companies in the telecommunications and transportation sectors, there is no reason for companies in the financial technology sector to implement CSR programs. Financial Technology companies should not only be subject to Law No. 40 of 2007 concerning Limited Liability Companies. Companies in the financial technology sector are also guided by other regulations, including:

1. Law No. 11 of 2008 concerning Information and Electronic Transactions (ITE Law)
2. Law No. 3 of 2011 concerning Fund Transfer
3. Law No. 19 of 2016 concerning Amendments to Law No. 11 of 2008 concerning Information and Electronic Transactions
4. Law Number 4 of 2023 concerning the Development and Strengthening of the Financial Sector
5. Law No. 1 of 2024 concerning the Second Amendment to Law No. 11 of 2008 concerning Information and Electronic Transactions
6. Government Regulation Number 71 of 2019 concerning the Implementation of Electronic Systems
7. Bank Indonesia Regulation No. 18/17/PBI/2016 concerning Electronic Money
8. Bank Indonesia Regulation No. 18/40/PBI/2016 concerning the Implementation of Payment Transaction Processing
9. Bank Indonesia Regulation (PBI) Number 19/12/PBI/2017 concerning the Implementation of Financial Technology
10. Bank Indonesia Circular Letter Number 18/22/DKSP concerning the Implementation of Digital Financial Services

The problem is that from the 10 (ten) regulations above, they do not specifically address social and environmental responsibility (CSR) issues. Another problem in implementing the program is that the company's activities are carried out comprehensively through online media.¹³ The company's impact or causal factor is known only in cyberspace, not in the real world. In terms of quantity, the facilities and infrastructure needed are not much more than those of conventional companies in sectors such as mining, plantations, construction, and transportation. In fact, financial technology companies differ fundamentally from conventional financial companies. The difference can be seen in the table below¹⁴:

Table 1- Difference between the two companies

¹² LindungiHutan Official, "10 Examples of Corporate Social Responsibility (CSR) Programs in Indonesia" (Jakarta: LindungiHutan, 2023), <https://lindungihutan.com/blog/contoh-program-csr-perusahaan-di-indonesia/>.

¹³ Dona Budi Kharisma, "Urgency of Financial Technology (Fintech) Laws in Indonesia," *International Journal of Law and Management* 63, no. 3 (2021), <https://doi.org/10.1108/IJLMA-08-2020-0233>.

¹⁴ Puteri N. E. Nohuddin et al., "The Influence of Machine Learning Algorithms on Credit Scoring Strategy in FinTech: A Proposal for Comparative Research," *Corporate and Business Strategy Review* 6, no. 3 (July 4, 2025): 96, <https://doi.org/10.22495/cbsrv6i3art9>; Raj Bahadur Sharma, Ijaz Ali, and Imran Ahmad Khan, "Fintech and the Changing Competitive Environment of Retail Finance: A Study on the Development of a Cross-Functional and Cross-Sectoral Financial Regulatory System," in *Internet of Things*, vol. Part F1270, 2023, https://doi.org/10.1007/978-3-031-35525-7_4.

Sector	Financial Technology Companies	Conventional Based Companies
Building/Office Building	Prioritizing virtual spaces	Has a head office and branches in various regions
Infrastructure IT	cloud computing (AWS, GCP, Azure)	On-premise data center
Networking and Communication	Internet fiber, 4G/5G, CDN global	Leased-line/MPLS to each branch
Hardware	High-spec laptops for operators	ATMs, CRMs, cash registers, safes, vaults.
Security system	Cyber-security layer: WAF, MFA, AI fraud-detection, biometrik digital	Physical security: security guards, CCTV, alarms, shatterproof glass
Transportation	Not required to own a vehicle, as it works through a virtual world	Have an official vehicle for company employees to deliver cash to ATMs and/or conventional banks
Utilities and Supports	UPS only at the head office	In addition to being in the head office, the generator and UPS are also in several branch offices
Work Structure and HR	Not too many members and have flexible working hours	Large hierarchical structure: teller, back-office, Security, driver

Source: author

If referring to the difference between the two companies above, financial technology companies have greater efficiency values in terms of facilities and infrastructure than conventional financial companies.¹⁵ The shortage of facilities and infrastructure will be directly proportional to the budget provided by financial technology companies.¹⁶ Companies must wisely allocate budgets and resources to social and environmental responsibility (CSR) programs. The policies implemented are not just implementing orders mandated by laws and regulations. CSR programs should provide social benefits for the company, the community, and the environment.¹⁷

Departing from their dominant operational structure in cyberspace, fintech companies leave no visible traces of physical environmental impacts, such as pollution or land damage. The implications manifest as cyber risks, such as data hacking, theft of personal information, and digital intimidation practices that harm consumers.¹⁸ This virtual impact requires the design of CSR

¹⁵ L. E Mitchell, *Progressive Corporate Law* (Oxford: Oxford: Taylor & Francis Group, 2024), <https://www.proquest.com/books/progressive-corporate-law/docview/2258053806/se-2>.

¹⁶ Ruiyun Wanyan and Tongpu Zhao, "The Dual Path of Fintech in Alleviating ESG Decoupling: A Dynamic Balance between Short-Term and Long-Term Effects," *Finance Research Letters* 86 (December 2025): 108443, <https://doi.org/10.1016/j.frl.2025.108443>.

¹⁷ Nemiraja Jادیappa and Yogesh Chauhan, "Mandatory CSR Regulation and R&D Investments: Evidence from a Quasi-Natural Experiment," *Finance Research Letters* 55 (2023), <https://doi.org/10.1016/j.frl.2023.103822>.

¹⁸ Om Prakash Yadav, RajKumar Teotia, and Rashi Baliyan, "Fintech and Data Science," in *Synergy of AI and Fintech in the Digital Gig Economy* (Boca Raton: CRC Press, 2024), 332–49, <https://doi.org/10.1201/9781032720104-21>.

programs that are no longer conventional infrastructure development, but rather interventions in the realm of digital literacy and inclusion. Because of the higher cost efficiency compared to traditional companies, namely the lack of need for buildings, official vehicles, and physical utilities. Therefore, the fintech sector should have a more flexible budget capacity to set aside substantive CSR funds.¹⁹ Given the financial technology sector, companies must create programs that support the progress of digitalization in Indonesia. Some examples of such programs include:

1. Providing digital financial literacy training to every element of society
It is undeniable that people in villages and cities have gadgets. Various applications, such as online buying and selling platforms, digital wallets, and even online loans, must be known and used by everyone. The problem is that not everyone has comprehensive literacy in utilizing the online business platform. As an example, there are still many illegal online loans, fraud in online buying and selling, and theft of customers' personal data. Therefore, legal education related to financial technology can be used as one of the priority programs in CSR policies
2. Providing scholarships for high school/high school graduates in each region
This scholarship can be in the form of undergraduate education in the field of Technology, Information, and Communication, so that the recipient of the scholarship can at least become *an agent of change* for their region to socialize digital financial literacy among every member of the community.
3. WiFi installation in every area, especially the Village
Wifi is intended to mean that everyone in society can access the internet for free. In order to encourage people to be literate about digitalization, considering that all information across all legal, social, political, and economic fields, at the national and even international level, can be easily obtained at one's fingertips. If the wifi budget is allocated in the CSR program, it will be felt directly by the community, and the company will get positive sentiment for its concern in advancing digital in each region.
4. Provision of digital wallets (E-Wallets) specifically for charity activities
The existence of this special application is intended to invite the public to donate to the underprivileged, victims of natural disasters, and other victims through technology platforms. E-Wallets also make it easier for the community not to need to use conventional ways to make donations.

Another factor is that the nature of CSR in regulations in Indonesia is still absurd, even though the laws and regulations State obligations (mandatory), but in terms of implementation, it is still considered voluntary.²⁰ Companies in the mining, plantation, construction, and transportation sectors, whose operational activities directly affect the community, still position corporate social responsibility as philanthropic activities. The impact is that financial technology companies also consider CSR to be a voluntary activity, even though, according to laws and regulations, it is a legal obligation.

¹⁹ Karen Wendt and Mathias Hauser, *Green FinTech*, Sustainable Finance (Cham: Springer Nature Switzerland, 2025), <https://doi.org/10.1007/978-3-031-78279-4>.

²⁰ Mukti Fajar Nd, "The Problems of Corporate Social Responsibility Regulation in Indonesian Local Regulations," *WSEAS Transactions on Environment and Development* 15 (2019).

The debate over whether CSR is mandatory or voluntary has been ongoing for a long time.²¹ CSR is inseparable from the historical factor, where several large companies in the United States and Europe are realizing charitable activities such as compensation agendas by building public facilities that benefit the public, such as schools, hospitals, roads, and the like.²² This program is an initiative by the company, not mandated by government policies or regulations, to hold companies accountable for implementing CSR.²³

CSR is an initiative that arises from the company's morality that maintaining the balance of the company's community, society, and environment is an obligation that must be carried out without any orders from laws and regulations.²⁴ Although CSR is considered a charitable activity, its implementation must be integrated with the interests of consumers or customers of the company, the general public, and the related environment.²⁵ CSR is done to maintain, and even improve, the company's reputation. Building a company's image should arise from a moral obligation to carry out CSR in the form of charitable or voluntary activities. A company's morality, good or bad, can be determined by how strongly it emphasizes its social and environmental responsibility. The execution of moral responsibility should be the exercise of legal responsibility because it is a real phenomenon of truth.²⁶ The larger the budget set aside for CSR activities, the greater the company's positive public attention.²⁷ Impact on the social benefits obtained, where the social benefits will affect the amount of financial benefits, because many customers will do business transactions with the company.

Over time, many companies have focused on managing various business fields, starting with mining, plantations, construction, transportation, and finance. This multi-sector business field is what makes the existence of CSR worrying if it is only positioned as a mere moral obligation. Not all companies have full awareness of how important CSR is for society, the environment, and society itself.²⁸ Corporations focus solely on maximizing profits by improving the performance of leaders and their employees. The company will cut the operating budget as little as possible to achieve greater profits. As a result, the company will carry out CSR programs for mere formalities, and it is even possible that it is not possible to set aside a budget for philanthropic activities at all.²⁹

²¹ Christian Stutz, "History in Corporate Social Responsibility: Reviewing and Setting an Agenda," *Business History* 63, no. 2 (2021), <https://doi.org/10.1080/00076791.2018.1543661>.

²² Robert Phillips, Judith Schrempf-Stirling, and Christian Stutz, "The Past, History, and Corporate Social Responsibility," *Journal of Business Ethics*, 2020, <https://doi.org/10.1007/s10551-019-04319-0>.

²³ CA. Neha Verma, "CORPORATE SOCIAL RESPONSIBILITY: Global Evolution & Challenges in India."

²⁴ Festim Tafolli and Sonja Grabner-Kräuter, "Employee Perceptions of Corporate Social Responsibility and Organizational Corruption: Empirical Evidence from Kosovo," *Corporate Governance: The International Journal of Business in Society* 20, no. 7 (November 16, 2020): 1349–70, <https://doi.org/10.1108/CG-07-2020-0274>.

²⁵ Nikita van Roermund, "Responsible Beauty: A Study about Corporate Social Responsibility in the Cosmetic Industry and the Influence on Customer-Organization Relationships" (Erasmus University, 2013), <https://thesis.eur.nl/pub/15670/Roermund-N.-van.pdf>.

²⁶ Samra Ibric, "Ronald Dworkin: Seeking Truth and Justice through Responsibility," *Laws* 12, no. 3 (2023), <https://doi.org/10.3390/laws12030041>.

²⁷ Kerstin Lopatta et al., "Corruption, Corporate Social Responsibility and Financial Constraints: International Firm-level Evidence," *European Management Review* 14, no. 1 (March 3, 2017): 47–65, <https://doi.org/10.1111/emre.12098>.

²⁸ Partha P. Roy, Sandeep Rao, and Min Zhu, "Mandatory CSR Expenditure and Stock Market Liquidity," *Journal of Corporate Finance* 72 (2022), <https://doi.org/10.1016/j.jcorpfin.2022.102158>.

²⁹ Hans B. Christensen, Luzi Hail, and Christian Leuz, "Mandatory CSR and Sustainability Reporting: Economic Analysis and Literature Review," *Review of Accounting Studies* 26, no. 3 (2021), <https://doi.org/10.1007/s11142-021-09609-5>.

On the other hand, many companies have operational activities that negatively impact the surrounding community. One prominent example is companies in the mineral and coal mining industries, as well as the oil and gas industry. These companies are very real and can have adverse effects, such as environmental pollution through land, water, and air. The damage to the environment actually results in causing diseases and even the death of several people.³⁰ Adverse effects of company operations can also affect companies in the financial technology sector. Starting from hacking, personal data theft, to intimidating actions against online loan application users.³¹ If the company is indifferent to this phenomenon, automatically, the damage to the company's reputation or image will be the result.³²

In anticipation of this, the Indonesian government has made CSR, which used to be voluntary, mandatory through various related laws and regulations. CSR arrangements in these various regulations should have addressed many of the company's social and environmental issues. The problem is that there are no specific rules from laws or government regulations that address companies' CSR in the field of Technology, Information and Communication (ICT), especially in financial technology. Therefore, the government in the future will begin to design special regulations for the implementation of CSR by companies in the field of financial technology.³³ Implementation of CSR for the company still refers to Law No. 40 of 2007 concerning Limited Liability Companies and Government Regulation No. 47 of 2012 concerning Social and Environmental Responsibility of Limited Liability Companies.

Analysis of Fintech CSR Practices and Regulatory Voids

To demonstrate how CSR can be effectively integrated into the fintech ecosystem, we examine the practical initiatives deployed by prominent domestic fintech platforms. These case studies highlight the critical necessity of digital-centric interventions while exposing the limitations of the current legal framework:³⁴

- a. GoPay (PT Digital Financial Services / GoTo Ecosystem): GoPay has structurally utilized its digital wallet platform to integrate micro-philanthropy and financial inclusion. Through its integrated digital charity models, the platform enables frictionless public donations to micro-entrepreneurs and vulnerable communities. Furthermore, it actively funds digital literacy campaigns targeting micro, small, and medium sized enterprises (MSMEs) to transition traditional merchants into the formal digital economy.

³⁰ Ahmad Albloush et al., "Exploring the Moderating Role of Green Human Resources and Green Climate: The Impact of Corporate Social Responsibility on Environmental Performance," *Uncertain Supply Chain Management* 12, no. 2 (2024): 771–78, <https://doi.org/10.5267/j.uscm.2024.1.009>.

³¹ Iris H.Y. Chiu and Gudula Deipenbrock, *Routledge Handbook of Financial Technology and Law*, Routledge *Handbook of Financial Technology and Law*, 2021, <https://doi.org/10.4324/9780429325670>.

³² Eva Micheler and Anna Whaley, "Regulatory Technology: Replacing Law with Computer Code," *European Business Organization Law Review* 21, no. 2 (2020), <https://doi.org/10.1007/s40804-019-00151-1>.

³³ Elvira Fitriyani Pakpahan, Kristina Chandra, and Anderson Tanjaya, "URGENSI PENGATURAN FINANCIAL TECHNOLOGY DI INDONESIA," *Jurnal Darma Agung* 28, no. 3 (2020), <https://doi.org/10.46930/ojsuda.v28i3.807>.

³⁴ Deni Pandu Nugraha et al., "Fintech Adoption Drivers for Innovation for SMEs in Indonesia," *Journal of Open Innovation: Technology, Market, and Complexity* 8, no. 4 (December 2022): 208, <https://doi.org/10.3390/joitmc8040208>; Budi Setiawan et al., "User Innovativeness and Fintech Adoption in Indonesia," *Journal of Open Innovation: Technology, Market, and Complexity* 7, no. 3 (September 2021): 188, <https://doi.org/10.3390/joitmc7030188>.

- b. Amarta (PT Amarta Mikro Fintek): Operating as a peer-to-peer (P2P) lending platform, Amarta concentrates its corporate responsibility strategy directly on rural financial inclusion and gender focused economic empowerment. By channeling institutional and retail capital to female micro entrepreneurs in remote villages, Amarta uses its core technical infrastructure as an instrument of social utility. Their initiatives also provide rural populations with formal financial literacy training to mitigate the risks of predatory local moneylenders.³⁵
- c. DANA (PT Espay Debit Indonesia Koe): DANA has tailored its digital platform to support regional digital literacy and disaster relief connectivity. Through programs like *DANA Bisnis*, the platform offers specialized training for small merchants to understand the legal mechanics of digital transactions, cybersecurity hygiene, and fraud avoidance.³⁶

From a strict normative perspective, while these programs demonstrate high social utility, they exist in a state of regulatory precarity. The primary statutory gap stems from the fact that the ten foundational financial and cyber-regulations currently governing the digital economy, including the *UU ITE*, the Fund Transfer Law, the P2SK Law, and various Bank Indonesia Regulations, contain an absolute silence regarding specialized CSR governance.³⁷

These statutes focus heavily on operational compliance, technological security, risk management, and capitalization thresholds. However, they fail to provide clear, actionable rules defining what constitutes valid compliance for digital corporate responsibility. This regulatory silence leaves fintech firms dependent on the outdated parameters of the 2007 Company Law (*UU PT*), which assumes a physical, brick and mortar business model. The lack of specialized parameters creates acute legal ambiguity. If a fintech firm allocates its CSR capital to digital infrastructure optimization, digital financial literacy academies, or rural network expansion (such as free public WiFi installations in digitally isolated villages to build local capacity), these allocations can be arbitrarily scrutinized by tax authorities or regulatory auditors due to the absence of direct statutory recognition under traditional corporate law. Therefore, without specialized, digital-centric legal guidelines, the enforcement of corporate social responsibility within the financial technology sector will remain fragmented, inefficient, and legally volatile.

CONCLUSION

This study demonstrates that under the existing Indonesian corporate framework, financial technology companies are legally bound by the mandatory CSR obligations codified in Article 74 of Law No. 40 of 2007 and Government Regulation No. 47 of 2012. However, because traditional statutes are designed around physical, extractive business models, a profound regulatory void persists regarding digital-centric operations. To achieve genuine legal certainty, fintech CSR must be legally reinterpreted and implemented through targeted digital responsibility interventions,

³⁵ Ryan Randy Suryono, Indra Budi, and Betty Purwandari, "Detection of Fintech P2P Lending Issues in Indonesia," *Heliyon* 7, no. 4 (April 2021): e06782, <https://doi.org/10.1016/j.heliyon.2021.e06782>; Afif Noor, Dwi Wulandari, and Aqila-Syarief Muhammad Afif, "Regulating Fintech Lending in Indonesia: A Study of Regulation of Financial Services Authority No. 10/POJK.05/2022," *Qubahan Academic Journal* 3, no. 4 (October 18, 2023): 42–50, <https://doi.org/10.48161/qaj.v3n4a156>.

³⁶ Siti N. Azizah, "The Adoption of FinTech and the Legal Protection of the Digital Assets in Islamic/Sharia Banking Linked with Economic Development: A Case of Indonesia," *The Journal of World Intellectual Property* 26, no. 1 (March 7, 2023): 30–40, <https://doi.org/10.1111/jwip.12257>.

³⁷ Kharisma, "Urgency of Financial Technology (Fintech) Laws in Indonesia."

specifically digital financial literacy training, cybersecurity education, and rural digital inclusion programs rather than obsolete physical infrastructure projects. Theoretically, this research contributes to the modernization of corporate law by expanding the classic doctrine of Corporate Social Responsibility into the contemporary domain of Corporate Digital Responsibility (CDR), providing a novel conceptual framework that decouples corporate social harm and utility from physical geography by establishing that virtual networks generate distinct cyber-social externalities, such as data vulnerabilities and financial exclusion, which serve as a theoretical foundation for interpreting corporate liability within virtual spaces and enriching progressive legal theories amidst rapid technological disruption.

Practically, this study serves as an operational roadmap for key stakeholders in the digital economy by providing state legislators and regulatory authorities (OJK and Bank Indonesia) with concrete legal rationales and structural blueprints to draft modernized regulatory guidelines, enabling fintech executives and compliance officers to design risk-mitigated CSR programs aligned with state development plans, and equipping consumers and public advocacy groups with analytical tools to demand greater accountability, data protection safeguards, and digital empowerment. To structurally bridge this regulatory gap, the government must take immediate legislative action to draft a specialized digital CSR regulatory framework formally integrated into the implementing regulations of Law No. 4 of 2023 concerning the Development and Strengthening of the Financial Sector (UU P2SK) alongside UU PT, specifically, the Financial Services Authority (OJK), in coordination with the Ministry of Communication and Digital Affairs, should issue dedicated regulations that formally recognize digital literacy campaigns, consumer data safety protections, and rural internet connectivity financing as valid, tax-deductible CSR expenditures, while establishing transparent, standardized digital audit mechanisms to ensure fintech platforms maintain clear accountability and prevent corporate allocations from degenerating into superficial public relations exercises. Finally, although this study is bounded by its reliance on a normative legal research methodology focusing strictly on the statutory critique and conceptual analysis of primary and secondary legal materials within Indonesia without incorporating empirical quantitative expenditure data or measuring localized economic shifts resulting from digital inclusion initiatives, it establishes a strategic framework for future legal scholarship to adopt socio-legal approaches or conduct empirical legal investigations to gather quantitative performance data, track consumer compliance indices across the ASEAN region, and perform comparative legal analyses with pioneering jurisdictions like the European Union or South Korea that are actively developing comprehensive Corporate Digital Responsibility architectures.

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