مجلة الأصيل للبحوث الاقتصادية والإدارية
El - Acil JournalforEconomic and Administrative Research
ISSN: 2571-9866
EISSN: 2661-7854
Volume:10 / N°2/October 2026, PP186-204

Islamic Digital Crowdfunding in Algeria: Reality, Prospects, and Lessons from International Experience

التمويل الجماعي الرقمي الإسلامي في الجزائر: الواقع والآفاق والدروس المستفادة من التجارب الدولية

***Chalour Wissem**
University of Sétif1(Algeria)
ouissam.chalour@univ-setif.dz

Received:12/09/2026 *Accepted:26/10/2026* *Published: 31/10/2026*

Abstract :

Algeria has the population, cultural affinity, and digital connectivity needed for Islamic crowdfunding, yet still lacks a single licensed platform. This paper argues the gap lies on the supply side: no crowdfunding law, no national Shariah advisory authority, and no adequate payment infrastructure. Using a systematic literature review (2010–2024) and SWOT-based documentary analysis of Malaysia, Indonesia, and the United Kingdom, the study finds these countries followed different regulatory sequences yet achieved institutional completeness. Building on this comparison, it proposes a three-phase roadmapinstitutional foundation, infrastructure development, and market activationshowing that Algeria's challenge is institutional rather than cultural.

Key words: Islamic crowdfunding; Islamic fintech; digital finance; regulatory framework; comparative institutionalism.
JEL classificationcodes:G23; G28; O16; O55; Z12

**Corresponding author*

1. INTRODUCTION

Two themes dominate serious conversations about the future of finance right now: digital platforms and alternative funding models. Crowdfunding has planted itself squarely at that intersection. What started as a tool for funding independent music and consumer gadgets has, without much fanfare, grown into a genuine mechanism for moving capital across borders and at real scale.

By 2023, transaction volumes had reached an estimated $1.17 billion (Statista, 2024), a figure that almost certainly undercounts activity in markets where informal finance dominates and where platform-mediated Islamic social finance flows outside conventional measurement frameworks.

For Islamic finance, this matters in a specific way. Musharakah, Mudarabah, Qard Hasan, these are not simply technical labels. They describe a fundamentally different relationship between capital and risk: one where both are shared, not offloaded onto a borrower.

A digital platform that pools small contributions from many individuals into a single project fits that logic naturally. The challenge has never been conceptual compatibility. It has been building the institutional infrastructure to make it work in practice. Algeria is an interesting case precisely because of this gap.

The country has 45 million people, 99% of whom are Muslim, with a median age of 28 and mobile internet penetration close to 71% (ARPCE, 2023). Citizens mobilise substantial sums annually through informal Zakat channels, money that moves through social trust networks rather than formal institutions, though the absence of systematic tracking makes precise quantification difficult. (MARW, 2023)

The government has put real money into digital infrastructure. Algeria Numérique 2030 is not a wish list, it is a funded commitment. And yet, browse any fintech registry and Algeria simply does not appear. No licensed Islamic crowdfunding platform. Not one. That is a policy failure, and understanding it requires looking beyond demographics.

This paper asks a practical question: **what does Algeria need to put in place and in what order to build a functioning Islamic crowdfunding market?** Three countries have actually managed this: Malaysia, Indonesia, and the UK. I chose them precisely because they are so different from one another, in legal tradition, wealth, and demographics.

Yet the closer you look, the more the same institutional building blocks reappear. That pattern is what these paper follows, applying it to Algeria's specific situation. This is not just a matter of religious preference.

Algeria has a 56% adult unbanked rate(Bank, 2022). Small businesses struggle to find financing through formal channels. A crowdfunding model that works on Islamic principles could reach people and projects that conventional banking has written off entirely and do so at scale

2. Theoretical Framework and Literature Review

2.1 The Contractual Architecture of Islamic Crowdfunding

Islamic finance starts from a set of hard limits. Riba interest in any form is forbidden. So is Gharar, which covers excessive uncertainty in a contract, and Maysir, which covers speculation. Together these rules eliminate the conventional lending model that underpins most Western crowdfunding. What they leave room for is something more interesting: a family of contracts built around shared risk and shared reward (Hassan, 2007). Musharakah works like equity. Put money into a venture, own a proportional stake, share the profits according to a pre-agreed ratio, and absorb losses in proportion to what you put in. Mudarabah works differently. One person puts up the money. Another person runs the show. The financier takes on the financial risk; the operator contributes skill and time. When the venture turns a profit, they divide it according to whatever ratio they agreed upfront. When it loses money, the financier absorbs the loss and the operator walks away having lost their effort nothing more. Both structures have moved into the digital world. Malaysia's Ethis Crowd and Nusa Kapital are among the better-known examples of platforms that have made them work at scale (Malaysia, 2023). Donation-based models are simpler from a compliance perspective. Sadaqah and Waqf charitable giving and endowment do not promise any financial return, so the questions about interest and uncertainty largely fall away. Indonesia has done the most interesting work here, deploying blockchain-based Waqf recording chains that gave donors something genuinely new. For the first time, they could actually verify what happened to their money after they gave it. In a sector where trust has always been the limiting factor, that kind of transparency is not a minor improvement it changes the calculation entirely (Zulkarnaen, 2021).

2.2 The Scholarly Debate: Opportunities and Structural Tensions

Academic interest in Islamic crowdfunding picked up meaningfully around 2015, and three fault lines have structured the debate ever since. The first is about what is actually permissible. Donation-based and equity-based models attract broad consensus. Murabahah-based peer-to-peer lending where a markup sale structure is used to avoid direct interest is more contested. The concern is that digital intermediation introduces Gharar in ways the original contracts were never designed to handle (Rafaheh, 2024). This is not a settled question, and different jurisdictions have reached different conclusions. The second debate is regulatory. Running an Islamic crowdfunding platform means satisfying two separate compliance regimes simultaneously: securities law, with its investor protection rules and disclosure requirements, and Shariah compliance, which demands ongoing supervision by qualified scholars. Neither is light-touch. Carrying both burdens explains why viable Islamic crowdfunding markets tend to cluster in places that already have developed Islamic finance regulatory infrastructure jurisdictions where both regimes exist and have learned to coexist (Mohieldin, 2012).While no empirical study has yet tested this specifically in the Algerian market, comparable evidence from Malaysia (Shaikh, 2020) suggests that perceived Shariah compliance functions as a critical determinant of Islamic FinTech adoption alongside the standard TAM variables of perceived usefulness and ease of use..."

2.3 Global State of the Art

The numbers by end-2023 tell the story plainly. The global Islamic fintech transaction volume reached approximately $138 billion in 2022/23, with projections to grow to $306 billion by 2027 (Elipses, 2023).Malaysia's licensed ecosystem alone counted 13 equity crowdfunding platforms with cumulative flows of RM 776 million since 2015(Malaysia, 2024). Indonesia's fintech P2P lending sector overall reached IDR 77.07 trillion in outstanding financing by December 2024, though Shariah-compliant platforms remain a small subset — around 7 registered operators — within that total (OJK, 2024).LaunchGood, founded in the US, had facilitated over $468 million across more than 150 countries by September 2023 (Tadamon, 2023).*North Africa's story runs in a different direction entirely.*Morocco passed crowdfunding legislation in 2021 the most substantive regulatory step the region has taken but it addresses

neither Shariah compliance nor Islamic platform licensing specifically. Algeria, the region's largest country by area and second by population, has not taken even that step. The contrast with Southeast Asia is not subtle, and it is not explained by a lack of Muslim population or interest in Islamic finance.

3. METHODOLOGY

This study uses a qualitative, descriptive-analytical approach combining systematic literature review with comparative case analysis — the only viable option given that no operational Islamic crowdfunding platform yet exists in Algeria to generate transaction data or a user population to survey.

Three sources inform the analysis. First, peer-reviewed literature from Scopus and Web of Science (2010–2024), supplemented by grey literature from the World Bank, the Islamic Development Bank, and DinarStandard where academic coverage was thin sixty-seven sources in total, covering Islamic crowdfunding, Shariah-compliant fintech, and country-specific searches for Algeria, Malaysia, and Indonesia. Second, a most-different-systems comparison (Przeworski, 1970) of Malaysia, Indonesia, and the UK three jurisdictions that diverge sharply on geography, legal tradition, and income level yet converge on the same outcome: a functioning Islamic crowdfunding market. Third, documentary analysis of national statistics from ARPCE, the Banque d'Algérie, IMF Article IV reports, and the Ministère des Affaires Religieuses et des Wakfs, organised through a SWOT framework.

The main limitation is the absence of primary data interviews with regulators, practitioners, or prospective users would have sharpened the feasibility assessment. Future research should fill this gap.

4. INTERNATIONAL EXPERIENCE: COMPARATIVE ANALYSIS

For that, the analysis has to go deeper into what existed before the rules were written: the institutional foundations that regulators inherited, the working relationships between public bodies and private actors, and the order in which decisions were made over time. Table 1 maps the regulatory landscape across all three jurisdictions; Figure 1 traces how that landscape took shape one decision at a time from 1983 through to 2025.

Table 1: Regulatory Framework Comparison / Selected Jurisdictions

Criteria	Malaysia	Indonesia	United Kingdom	Algeria
Regulatory Framework	SC Crowdfunding Guidelines (2015)	POJK No. 10/2022 (P2P Syariah lending, replacing POJK 77/2016); POJK No. 57/2020 (Equity Crowdfunding); Waqf Core Principles (2021)	FCA Financial Promotion Rules; sector-specific guidance for Sharia-compliant crowdfunding since 2022	No crowdfunding regulation; regulatory vacuum
Shariah Governance	Shariah Advisory Council (SAC) — binding authority	Dewan Syariah Nasional (DSN-MUI)	Platform-level Shariah boards; no state authority	Haut Conseil Islamique — no technicalfinancial mandate
Licensed Platforms	13 Shariah-compliant ECF platforms (2023)	7 Islamic P2P platforms (OJK, 2024)	LaunchGood (donation-based; outside FCA's crowdfunding remit)	Zero — no platform
Digital Payment	DuitNow (instant payment)	BI-FAST (instant payment)	Faster Payments Service — mature	No instant payment scheme; cash-dominant
RegulatorySandbox	SC/BNM Fintech Sandbox (2016)	OJK RegulatorySandbox (2018)	FCA RegulatorySandbox (2016)	None
Market Maturity	Pioneer — 10+ yearsoperational	Advanced — social-finance led	Community/diaspora-driven	Pre-market — no platforms

Source: Compiled by the author based on Securities Commission Malaysia (2024), OJK (2022, 2024), Chambers and Partners (2025), Milbank LLP (2023), Tadamon (2023), and Journal Officiel de la République Algérienne (2020). ECF: Equity Crowdfunding; P2P: Peer-to-Peer Lending.

Figure 1: Comparative Regulatory Development Timeline, Islamic Crowdfunding (1983–2026)

Year	Malaysia	Indonesia	United Kingdom	Algeria
1983	Islamic Banking Actenacted	—	—	—
1993	Securities Commission established	—	—	—
2004	—	Law No. 41/2004 on Waqf	—	—
2013	—	—	LaunchGoodlaunched	—
2015	Equity Crowdfunding Framework — first regulated Islamic ECF globally	—	—	—
2016	SC/BNM Fintech Sandbox launched	—	FCA RegulatorySandboxlaunched	—
2016	—	POJK No. 77/2016 (first P2P lending framework, incl. Shariah via DSN-MUI Fatwa 117/2018)	—	—
2018	—	OJK Fintech RegulatorySandbox	—	—
2020	—	POJK No. 57/2020 (Equity Crowdfunding)	—	—
2021	—	Waqf Core Principles; blockchain Waqf piloted	—	—
2022	—	POJK No. 10/2022 (strengthened P2P/Shariah lending framework)	FCA sector-specific guidance for Sharia-compliant crowdfunding	—
2023	13 Shariah-compliant ECF platforms operational; RM 686.7M cumulative disbursements	—	LaunchGood facilitated $468M+ across 150+ countries (Sept.)	—

Year	Malaysia	Indonesia	United Kingdom	Algeria
2024	RM 776M+ cumulative ECF disbursements	IDR 77.07T+ cumulative P2P disbursements (~7 Islamic P2P platforms); POJK No. 40/2024 (Shariah business units, credit scoring)	—	—
2026	—	—	—	Zero licensed platforms; regulatory vacuum persists

Source: Compiled by the author based on Securities Commission Malaysia (2024), OJK (2016, 2020, 2022, 2024), Chambers and Partners (2025), Milbank LLP (2023), Tadamon (2023), and Journal Officiel de la République Algérienne (2020). Dashes (—) indicate no significant regulatory development in that jurisdiction for the corresponding year.

4.1 Malaysia: The Institutional Pioneer

The 2015 crowdfunding framework is usually treated as Malaysia's starting point in this field, but that reading misses three decades of prior institution-building. The country's Islamic Banking Act dates back to 1983, and the intervening years were not idle: a Shariah Advisory Council with genuinely binding authority was established, an Islamic capital market matured, and the regulator itself accumulated decades of Shariah-compliance expertise (Malaysia B. N., 2015). Seen against this background, the 2015 framework looks less like the creation of a new market and more like the formalisation of one that had already been taking shape for years.

This points to a sequencing logic rather than a purely regulatory one. Clear rules attracted credible platforms; credible platforms built track records; track records drew in retail investors; and retail participation, in turn, deepened liquidity and made further product innovation viable. Each stage depended on the one before it, which is precisely why removing any single link say, introducing a crowdfunding law without the supporting regulatory architecture tends to produce a much weaker outcome. For Algeria, this raises an uncomfortable question: legislation alone rarely moves the needle. What seems to matter more is whether the surrounding institutional infrastructure is developed in parallel with, rather than after, the legal framework itself.

4.2 Indonesia: Social Finance as Market Foundation

Indonesia did not start with commercial crowdfunding. It started with Waqf. Rather than trying to build a fintech market from scratch, the government chose to formalise what already existed — the country's deep tradition of Islamic social finance and use that as the foundation for something larger. The Waqf Core Principles initiative of 2021 was the most visible expression of this. Partnering with blockchain providers to create auditable endowment records was not a technology experiment. It was an attempt to solve a trust problem that had held back formal Islamic finance participation for years.

Donors could suddenly see exactly where their money went. Administrative costs are believed to have fallen substantially, and confidence in the system appears to have risen, though precise figures are not yet systematically documented

(BWI, 2022).On the commercial side, Indonesia's Shariah P2P lending framework first established under POJK No. 77/2016 and substantially strengthened by POJK No. 10/2022 gave Shariah-compliant platforms the legal certainty they needed to grow. A more recent update, POJK No. 40/2024, deserves particular attention: it formally accommodates Shariah business units within lending platforms and strengthens credit-scoring obligations, including the use of alternative data sources that do not depend on conventional financial histories. In a largely informal economy with limited banking penetration, that is not a technical footnote. It is what makes the model usable for the people the platforms are actually trying to reach.

4.3 United Kingdom: Community-Driven Innovation

The UK tells a different story altogether. LaunchGood did not emerge because a regulator cleared the way for it,it emerged because a community needed it. Muslim diaspora populations were already giving digitally long before any platform existed: through informal transfers, through social media, through whatever channel happened to work. A platform built around their values and social ties simply did the job better. Regulation, when it came, came later. For years, the FCA's approach could be summed up as no obstacles, but no special favours. Islamic finance institutions were treated no differently from conventional ones (Milbank, 2023). It was not until 2022 that the FCA introduced guidelines specifically for Sharia-compliant crowdfunding platforms (Partners, 2025).

What this suggests is that community trust can substitute for regulatory architecture, at least for a while. It cannot do so indefinitely platforms looking to move beyond simple donation models will eventually need a proper licensing framework but the UK case makes one thing clear: demand does not have to wait for regulation to catch up. This has a direct bearing on Algeria, given the size of its diaspora. Algerians abroad send home a substantial amount each year around $2.1 billion in 2021 with France accounting for over 80% of that flow and the remainder coming from Spain, Belgium, and the Gulf states (Bank, 2023). Even a modest share of that money, redirected through a well-designed Islamic crowdfunding platform, would be enough to demonstrate real market demand and channel productive capital back into the domestic economy.

5. ALGERIA'S ISLAMIC CROWDFUNDING LANDSCAPE: A DIAGNOSTIC ASSESSMENT

5.1 Enabling Conditions

The starting point is what Algeria actually brings to the table. The country has close to 46 million people, 99% of them Muslim, with a median age of around 28 and internet penetration that has climbed to roughly 71–77% in recent years (ARPCE, 2023). Beyond the demographics, informal Zakat networks are widely believed to channel substantial sums each year into charitable and community causes, almost entirely outside the formal financial systemthough the absence of systematic tracking makes precise figures hard to come by (Wakfs, 2023). The Waqf sector, for its part, retains genuine cultural resonance that has not faded with modernization.

On the technical side, the government has invested in digital payment infrastructure through successive national programmes. Algérie Poste's Barid PAY mobile payment service and the Edahabia card have brought a growing share of everyday transactions online, and commercial banks have begun rolling out their own contactless apps the National Bank of Algeria's Wimpay being one example. Progress here is real, if still uneven and incomplete.

None of this is trivial. Taken together, it points to a substantial base of latent demand: people who already engage in participatory giving, who trust Islamic financial principles, and who are growing more comfortable with digital tools by the year. The puzzle, then, is not

why Algeria has failed to attract this demand. The puzzle is why no one has yet managed to access it formally.

5.2 Structural Constraints

The answer lies in three institutional gaps, each significant on its own. Together they amount to a complete market failure on the supply side.

The first gap is regulatory. Algeria simply has no legal framework for crowdfunding. The 2020 Startup Law (Algérienne, 2020) helped the entrepreneurial ecosystem in other ways, but said nothing about platform-based collective financing. The Banque d'Algérie has issued no guidance conventional or Islamic. Any entrepreneur who wants to build a platform today is operating in a legal void, unable to attract serious investment or provide users with any regulatory assurance.

The second gap is Shariah governance. Picture someone who wants to launch Algeria's first Islamic crowdfunding platform. She has the technical skills, a workable business plan, and some early investor interest. Her problem is credibility. She has no way to get her platform certified as genuinely halal by anyone whose opinion carries weight. The Haut Conseil Islamique handles broad religious matters, not the technical compliance requirements of financial instruments. The Banque d'Algérie has no Shariah scholars. Foreign certification costs too much, takes too long, and carries no regulatory weight inside Algeria anyway. So, she faces a choice between absorbing unsustainable compliance costs alone or launching without the religious legitimacy that would attract the users she needs. Most people in this position simply do not launch.

The third gap is payment infrastructure. Algérie Poste's CCP network has done important work in extending basic financial access, but the system's interoperability remains limited. There is no instant payment scheme capable of handling the micro-transaction flows that crowdfunding depends on nothing like Malaysia's DuitNow or Indonesia's BI-FAST. Cash still dominates. Any platform that launched tomorrow would be operating in an environment where the basic pipes for moving money efficiently simply do not exist.

5.3 SWOT Analysis

Table 2 synthesises the preceding assessment in a SWOT framework, drawing on national statistics, Central Bank reports, and the comparative institutional evidence examined in earlier sections.

Table 2:SWOT Analysis of Islamic Digital Crowdfunding Potential in Algeria

STRENGTHS (S)	WEAKNESSES (W)
• 99% Muslim population with deeply embedded Zakat and Waqf traditions • 46 million people; median age 28 — large, young, digitally connected market • Internet penetration of roughly 71–77% (ARPCE, 2023) • Substantialinformal Zakat flows eachyear, thoughprecise figures remainundocumented (Ministère des Affaires Religieuses et des Wakfs, 2023) • Governmentcommitment: Algérie Numérique 2030 / SNTN-2030 digital transformation strategy (Haut-Commissariat à la Numérisation, 2024) • Growing pool of technology entrepreneurs	• Complete absence of a crowdfunding regulatory framework • No national Shariah advisory body with a financial-product mandate • Underdeveloped digital payment infrastructure; no instant payment scheme • Cash-dominant economy limiting addressable market • Shortage of professionals combining Islamic jurisprudence and fintech expertise • 56% adult unbanked rate (World Bank, Global Findex 2021)
OPPORTUNITIES (O)	**THREATS (T)**
• Diaspora channel: ~$2.1B in annual remittances (2021), over 80% from France, remainder from Spain, Belgium, and Gulf states (World Bank, 2023) • Regional leadership opportunity — no North African country has yet regulated Islamic-specific crowdfunding, despite Morocco's 2021 general crowdfunding law • AfCFTA framework enabling regional financial-services integration • Islamic Development Bank partnership programmes • Growing global Islamic fintech market ($138B in 2022/23, projected $306B by 2027) (DinarStandard&Elipses, 2023) • Informal Waqf and Zakat networks as a ready recruitment base	• Regulatory inertia — persistent treatment of Islamic fintech as a niche accommodation • GCC and Southeast Asian platforms scaling rapidly • Hydrocarbon revenue dependency limiting fiscal space • Regional competition from Morocco's 2021 crowdfunding law • Currency and capital controls constraining foreign investment • Risk of informal, Gharar-laden digital platforms emerging in the absence of regulation

Source:Compiled by the author based on ARPCE (2023), Banque d'Algérie (2023), World Bank (2021, 2023), Ministère des Affaires Religieuses et des Wakfs (2023), DinarStandard&Elipses (2023), Haut-Commissariat à la Numérisation (2024), and comparative institutional analysis presented in earlier sections. SWOT = Strengths, Weaknesses, Opportunities, Threats.

6. GLOBAL PLATFORM BENCHMARKING

Table 3 takes a closer look at the platforms themselves. For each one, the same four questions: **Is it licensed? What Islamic contract does it use? How is Shariah compliance governed? And what has it actually achieved in terms of scale?**

Algeria's absence from this landscape is not incidental. It reflects the institutional supply-side failures documented in the preceding section. The demand-side prerequisites that these platforms' home markets possessed at launch Muslim populations, digital connectivity, informal giving traditions Algeria possesses in comparable or greater measure.

Table 3: Selected Islamic Crowdfunding Platforms, Global Comparison

Platform	Country	Model	IslamicContract	RegulatoryStatus	Shariah Governance	Scale
Ethis Crowd	Malaysia	Equity CF	Musharakah	Licensed — Securities Commission Malaysia	SAC-certified + Shariah board	USD 50M+ funded; 5 countries
NusaKapital	Malaysia	P2P Financing	Murabahah	Licensed — Recognised Market Operator, Securities Commission Malaysia	SC-regulated; Shariah-compliant structure	World's first regulated Shariah-compliant P2P platform (scale not publicly disclosed)
Kapital Boost	Singapore / Malaysia / Indonesia	SME Finance	Murabahah / Wakalah	Operates under Singapore's fintech framework (matching-service model)	Independent Shariah oversight	SGD ~10M+ disbursed (as of ~2020)
InvestreeSyariah	Indonesia	P2P Lending	WakalahbilUjrah	OJK-licensed (Shariah unit)	DSN-MUI endorsed	IDR 8T+ disbursements (cumulative)
Ammana	Indonesia	P2P Micro	Mudharabah	OJK-licensed (Shariah)	DSN-MUI endorsed	IDR 1.5T+ to micro-enterprises
LaunchGood	USA / UK	Donation CF	Sadaqah / Hibah	Not FCA-regulated (donation-based, outside FCA's crowdfunding remit)	Community trust model	USD 468M+; 150+ countries (Sept. 2023)
Yielders	UK	Real	Musharakah /	FCA-authorised	Independe	GBP 20M+

Platform	Country	Model	IslamicContract	RegulatoryStatus	Shariah Governance	Scale
		Estate CF	Ijarah	(2017) — first Islamic FinTech directly regulated by FCA	nt Shariah certification (IFC)	in Shariah property
Algeria (n/a)	Algeria	—	—	No regulatoryframework	No Shariah authority	Zero operational platform

Source: Compiled by the author based on platform annual reports and websites, Securities Commission Malaysia (2023, 2024), OJK (2024), FCA authorisation records, Tadamon (2023), and Zulkarnaen, Mukhlisin, &Pramono (2021). CF = Crowdfunding; P2P = Peer-to-Peer; ECF = Equity Crowdfunding. Algeria row reflects the absence of any operational platform as of 2026.

7. POLICY RECOMMENDATIONS: A STAGED DEVELOPMENT ROADMAP

If the comparative analysis yields one lesson worth taking seriously, it is this: sequence matters. A crowdfunding law without a functioning Shariah authority is unenforceable the moment a compliance question arises. A Shariah authority with no payment infrastructure to supervise has nothing to work with. Each element depends on what comes before it. The roadmap that follows is organized around that dependency structure, not around what is easiest to do first.

Phase I: Institutional Foundation (Years 1–2)

Everything else in this roadmap stalls without a legal foundation. There is no point designing a Shariah council before there is a law for it to operate under.

Enact a Crowdfunding Framework Law: The Banque d'Algérie and the Ministry of Finance would need to issue a joint regulation covering the essentials: platform registration requirements, investor protection thresholds, disclosure obligations, and exposure limits for retail participants. This is not novel territory. Malaysia and Indonesia have already worked through these questions, and their frameworks are detailed enough to serve as genuine drafting references rather than vague inspiration.

Establish a National Shariah Advisory Council for Financial Products: What Algeria needs here is not another consultative committee, it is a statutory body whose decisions carry legal weight. The scholars appointed to it need genuine expertise in financial contracts, not just broad religious credentials. Malaysia's SAC and

Indonesia's DSN-MUI demonstrate what this looks like in practice: rulings that regulators are required to follow, integrated directly into the licensing process. The Banque d'Algérie should fund the body, and its decisions should be legally binding on licensed platforms.

Create a Fintech Regulatory Sandbox: A supervised testing environment, modelled loosely on the FCA's sandbox, which has been running since 2016 and has incubated several Islamic fintech ventures, would allow early-stage platforms to operate under regulatory oversight before committing to permanent licences. The practical value is that it generates real evidence about how these platforms behave in the Algerian market, rather than asking regulators to legislate in the dark.

Phase II: Infrastructure Development (Years 3–4)

Once the regulatory foundation is in place, the focus moves to the payment and human capital infrastructure that makes platforms operationally viable.

Develop a National Instant Payment System: Without real-time fund transfers, the micro-contribution aggregation that crowdfunding depends on simply does not work at scale.

The Banque d'Algérie needs to accelerate deployment of an instant payment scheme with mandatory interoperability with Algérie Poste's CCP network that interoperability is what extends the system to the unbanked population.

Digitise the National Waqf Register: The Ministry of Religious Affairs should pilot a digital Waqf registry with a qualified technology provider. Research on blockchain applications to waqf management in Indonesia suggests significant potential gains in administrative efficiency and donor confidence, even though precise cost-reduction figures remain undocumented at scale(Zulkarnaen, 2021).That is a model worth piloting, not necessarily replicating wholesale.

Build Human Capital in Islamic Fintech: Algerian universities and professional certification bodies should develop curricula specifically in Islamic fintech. The shortage of people who can navigate both Shariah jurisprudence and digital finance is itself a structural constraint it limits the quality of platforms that can be built and the quality of supervision they receive.

Phase III: Market Activation (Years 5–7)

The final phase is about getting private platforms to enter and staying in long enough to reach the transaction volumes at which the market becomes self-sustaining.

Launch a Government-Backed Catalytic Platform: Where private initiative has not been sufficient to reach critical mass, a government-supported not-for-profit platform focused initially on Sadaqah, Zakat distribution, and community Waqf reduces perceived market risk for private entrants by demonstrating that the model actually works.

Activate the Diaspora Channel: Algeria should negotiate bilateral financial agreements with France, Spain, and Belgium to facilitate the channelling of remittances through domestic Islamic crowdfunding platforms. Diaspora communities typically have higher digital financial literacy and stronger motivation to invest in community development at home. Targeted fiscal incentives tax relief on returns routed through certified Islamic platforms, for instance could realistically redirect a meaningful portion of the $2.1 billion that flows into Algeria annually through remittances(Bank, 2023).

Algeria's isolation from regional Islamic finance networks is partly self-imposed. Associate membership in the IFSB and active engagement with the Islamic Development Bank's infrastructure programmes would connect Algerian regulators to standardised governance frameworks and signal to international Islamic fintech platforms that North Africa is open for serious business.

8. CONCLUSION

This paper asked why Algeria, despite possessing nearly every demand-side condition associated with a thriving Islamic fintech sector, has failed to develop an Islamic crowdfunding market at all. The answer: Algeria does not lack demand it lacks the institutions needed to meet that demand safely and credibly. These are different problems, and conflating them explains why previous policy discussions have gone nowhere.

The comparative analysis of Malaysia, Indonesia, and the United Kingdom supports this reading. None of these markets emerged from unusually favourable demographics Algeria’s compare well. What set them apart was deliberate institution-building, though not along one template. Malaysia moved through a fairly linear sequence:

regulation, then Shariah governance, then payment infrastructure. Indonesia inverted part of that order, establishing religious governance through the DSN-MUI years before its technical regulations existed. The UK adapted payment infrastructure built for other purposes, with formal recognition of Islamic crowdfunding arriving only after community demand had already proven the model. What unites these three trajectories is not the sequence in which the pieces arrived, but that all the necessary pieces eventually arrived and were made to work together. Algeria has none of them.

This is not a story about resource scarcity. Algeria has a young, digitally connected, overwhelmingly Muslim population already engaged in informal Islamic social finance at meaningful scale, and a government capable of executing complex infrastructure projects. What has been missing is prioritisation: a crowdfunding law, a Shariah authority with real regulatory teeth, and a sandbox to test private platforms before full licensing none of them expensive by the standards of state capacity. The binding constraint is not money; it is the persistent habit of treating Islamic fintech as a religious accommodation rather than a financial-inclusion instrument with real macroeconomic consequences.

This study relies entirely on secondary sources, and the absence of primary data interviews with regulators, platform operators, or prospective users limits how precisely implementation feasibility can be assessed. Three directions seem worth pursuing: survey-based research on Algerian households' actual willingness to use these platforms, rather than inferring it from religious affiliation; ethnographic study of existing informal Waqf and Zakat networks as potential recruitment channels; and quantitative modelling of what a functioning market would mean for Algeria's SME financing gap and financial inclusion indicators. Until that work is done, this paper offers not a prediction that a market will emerge, but a diagnosis of what must be built before one can.

REFERENCES

Algérienne, J. O. (2020). *Executive Decree No. 20-254 of September 15, 2020, establishing the National Start-up Labelling Committee.*Journal Officiel de la République Algérienne.

ARPCE. (2023). *Observatoire du marché de l'Internet en Algérie – T4 2023*. Récupéré sur Autorité de Régulation de la Poste et des Communications Électroniques: https://www.arpce.dz

Bank, W. (2022). *The Global Findex Database 2021: Financial Inclusion, Digital Payments, and Resilience in the Age of COVID-19.* World Bank Group. Récupéré sur https://doi.org/10.1596/978-1-4648-1897-4

Bank, W. (2023). *Personal remittances, received (current US$) – Algeria.* Récupéré sur World Bank Open Data: https://data.worldbank.org/indicator/BX.TRF.PWKR.CD.DT?locations=DZ

BWI. (2022). *Improving waqf management quality: digitalization and data integration need strengthening.* Badan Wakaf Indonesia. Récupéré sur https://www.bwi.go.id/7733/2022/02/09/tingkatkal-kualitas-pengelolaan-wakaf-digitalisasi-dan-integrasi-data-perlu-diperkuat/

Elipses, D. &. (2023). *Global Islamic Fintech Report 2023/24*. Récupéré sur Salaam Gateway.

Hassan, M. K. (2007). *Handbook of Islamic Banking.* Edward Elgar Publishing.

Malaysia, B. N. (2015). *Islamic Finance Country Report for Malaysia 2015 [Keynote address by Deputy Governor Muhammad bin Ibrahim]*. Bank for International Settlements. Récupéré sur https://www.bis.org/review/r150812c.htm

Malaysia, S. C. (2023). *Annual Report 2023: Advancing a Sustainable and Digital Capital Market.*Récupéré sur https://www.sc.com.my

Malaysia, S. C. (2024). *Equity Crowdfunding (ECF): Market Statistics. Securities Commission Malaysia.* Capital Markets Malaysia. Récupéré sur https://www.capitalmarketsmalaysia.com/digital-equity-crowdfunding-ecf/

MARW. (2023). *Statistiques nationales sur la Zakat et les Waqfs.* Office national des Wakfs et de la Zakat. Récupéré sur https://www.marw.dz

Milbank. (2023). *Islamic Finance & Markets: United Kingdom* (éd. 8). In Lexology In-Depth: Islamic Finance and Markets. Récupéré sur https://www.milbank.com/a/web/x2A6Fh838qRP7AWcpHEuUr/2023-islamic-finance-and-markets-united-kingdom.pdf

Mohieldin, M. I. (2012). The role of Islamic finance in enhancing financial inclusion in Organization of Islamic Cooperation (OIC) countries. *Islamic Economic Studies*, 55–120.

OJK. (2024). *Statistik Fintech Lending Periode Desember 2024.* Otoritas Jasa Keuangan. Récupéré sur https://ojk.go.id

Partners, C. a. (2025). *Islamic Finance 2025 – UK: Trends and Developments*. Récupéré sur https://practiceguides.chambers.com/practice-guides/islamic-finance-2025/uk/trends-and-developments

Rafaheh, N. R. (2024). Smart Contracts and the Possibility of Gharar. *IECO Journal (International Journal of Islamic Economics)*, 60–84.

Shaikh, I. M. (2020). Acceptance of Islamic financial technology (FinTech) banking services by Malaysian users: An extension of technology acceptance model. *Foresight*, 367–383. Récupéré sur https://doi.org/10.1108/FS-12-2019-0105

Statista. (2024). *Crowdfunding — Worldwide: Market Forecast [Reward-based crowdfunding transaction value]*. Statista Market Insights. Consulté le July 2026, sur https://www.statista.com/outlook/fmo/capital-raising/digital-capital-raising/reward-based-crowdfunding/worldwide

Tadamon. (2023, September). Tadamon announces strategic partnership with LaunchGood, the largest crowdfunding platform for the Muslim world. Récupéré sur https://tadamon.community/news/-tadamon-announces-strategic-partnership-with-launchgood-the-largest-crowdfunding-platform-for-the-muslim-world

Wakfs, M. d. (2023). *Statistiques nationales sur la Zakat et les Waqfs. République Algérienne Démocratique et Populaire*. Récupéré sur https://www.marw.dz

Zulkarnaen, D. M. (2021). Can blockchain technology improve accountability and transparency of cash waqf in Indonesia? *Journal of Economic Impact*, 158–166. doi:https://doi.org/10.52223/jei3032105