



Regulatory Sandbox as a Hybrid Legal Policy Instrument: Recalibrating Legal Certainty and Financial Sector Growth in Indonesia

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ABSTRACT

The expansion of financial technology in Indonesia has required regulatory adaptation capable of reconciling innovation with legal certainty and prudential supervision. The regulatory sandbox introduced under OJK Regulation Number 3 of 2024 operates as a structured and time-bound experimentation mechanism embedded within statutory authority under Law Number 21 of 2011 and Law Number 4 of 2023. This article examined the sandbox as a hybrid legal policy instrument and evaluated its implications for legal certainty and financial sector development. Employing a normative juridical approach supported by statutory and conceptual analysis, the study assessed the procedural architecture of the sandbox and incorporated descriptive sectoral data relating to Financial Sector Technology Innovation providers and asset growth. The findings indicated that the sandbox recalibrated legal certainty through codified eligibility standards, sequenced supervisory stages, and defined exit determinations. Empirical developments demonstrated that sandbox institutionalization coincided with increased institutional integration and measurable sectoral expansion, although no direct causal inference was asserted. Governance risks, including supervisory discretion and digital asset volatility, underscored the necessity of transparent administration and sustained consumer protection safeguards. The Indonesian regulatory sandbox therefore reflected a hybrid governance model integrating adaptive flexibility with formal oversight within rule-of-law parameters.



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INTRODUCTION

The obligation of the State to promote public welfare requires the maintenance of a financial system that is not only stable but also responsive to structural economic transformation. The acceleration of digitalization has fundamentally reshaped financial intermediation, market access, and consumer engagement. Financial technology has evolved beyond technological novelty; it represents a structural reconfiguration of financial governance within contemporary economic systems. As digital platforms increasingly mediate financial transactions, regulatory institutions are confronted with the challenge of ensuring legal certainty while preserving space for innovation.

Indonesia's regulatory trajectory reflects this structural tension. The experience of the 1998 financial crisis exposed weaknesses in supervisory coordination and regulatory concentration (Nugroho & Winarno, 2015). Institutional reform subsequently culminated in the establishment of the Financial Services Authority under Law Number 21 of 2011, later strengthened by Law Number 4 of 2023 concerning the Development and Strengthening of the Financial Sector. These reforms consolidated supervisory authority over Financial Sector Technology Innovation (Inovasi Teknologi Sektor Keuangan/ITSK), including digital financial assets and crypto-related activities. Regulatory authority was thus centralized to enhance prudential coherence and institutional accountability.

Parallel to institutional reform, Indonesia has experienced steady digital expansion. Increasing internet penetration has significantly enlarged the potential user base of digital financial services and broadened the scope of regulatory exposure (Sari, 2025). Technological acceleration generates economic opportunity while simultaneously producing supervisory complexity. Excessive rigidity risks suppressing innovation, whereas insufficient oversight may weaken financial stability and consumer protection (Rumata & Sastrosubroto, 2020). The central regulatory dilemma therefore concerns how to reconcile innovation facilitation with rule-of-law principles.

In response to this structural challenge, the Financial Services Authority (Otoritas Jasa Keuangan/OJK) introduced the regulatory sandbox under OJK Regulation Number 3 of 2024. The sandbox establishes a controlled and time-bound experimentation framework in which innovative financial services are assessed prior to full authorization. Procedural elaboration under SEOJK 5/2024 structures this mechanism through defined stages of application, verification, monitoring, evaluation, and exit determination. Experimentation thus occurs within statutory authority rather than outside regulatory control. The sandbox does not suspend legal oversight; instead, it recalibrates the sequencing of compliance obligations through conditional supervision.

International scholarship has examined regulatory sandboxes primarily from economic and comparative perspectives, emphasizing funding access, innovation incentives, and market expansion (Goo & Heo, 2020; Cornelli et al., 2024). Empirical studies suggest that sandbox participation may correlate with enhanced investor confidence and fintech growth. However, limited analysis situates Indonesia's sandbox within legal certainty theory or systematically evaluates its procedural architecture as a determinant of regulatory legitimacy. Moreover, existing literature often treats sectoral growth as evidence of regulatory success without sufficiently distinguishing correlation from causation. This conceptual gap is significant because legal certainty constitutes a foundational element of rule-of-law governance, and adaptive regulation must remain bounded by predictable administrative standards.

This article addresses that gap by positioning the Indonesian regulatory sandbox as a hybrid legal policy instrument that integrates adaptive flexibility with formal supervisory authority. Unlike approaches that conceptualize sandboxes solely as innovation-enabling mechanisms, this study advances three interrelated contributions. First, it reconceptualizes legal certainty not as rigid immediacy of compliance, but as procedural clarity embedded within time-bound experimentation. Second, it develops a hybrid governance framework to explain how conditional regulatory flexibility can coexist with statutory accountability. Third, it evaluates empirical developments in ITSK participation and asset growth while explicitly acknowledging the methodological limits of causal attribution.

Accordingly, this research examines: (1) the legal policy objective underlying the implementation of the regulatory sandbox in Indonesia; (2) the extent to which the sandbox framework recalibrates and strengthens legal certainty within financial supervision; and (3) whether its institutionalization has coincided with measurable financial sector growth without undermining consumer protection and prudential safeguards. Through normative juridical analysis supported by statutory interpretation and sectoral data, the study argues that the Indonesian regulatory sandbox represents a structured mechanism of adaptive governance designed to harmonize innovation, legal certainty, and financial stability within a unified supervisory regime.

RESEARCH METHODS

This research employed a normative juridical approach to examine the regulatory sandbox as a legal policy instrument within Indonesia's financial regulatory framework. The analysis focused on the structure, interpretation, and implementation of regulatory norms governing Financial Sector Technology Innovation (Inovasi Teknologi Sektor Keuangan/ITSK) under the authority of the Financial Services Authority (Otoritas Jasa Keuangan/OJK).

A statute approach was applied through systematic examination of primary legal materials, including Law Number 21 of 2011 concerning the Financial Services Authority and Law Number 4 of 2023 concerning the Development and Strengthening of the Financial Sector. These statutory instruments were analyzed alongside OJK Regulation Number 3 of 2024 concerning the Implementation of Financial Sector Technology Innovation and the relevant implementing circular letters. The objective was to identify the normative foundation of the regulatory sandbox, the scope of

supervisory authority, eligibility criteria, procedural sequencing, and exit mechanisms embedded within the regulatory framework.

In addition to statutory interpretation, a conceptual approach was employed to situate the sandbox within legal certainty theory and regulatory governance discourse. Legal certainty was examined not merely as textual clarity, but as procedural predictability derived from codified administrative stages and structured supervisory benchmarks. The concept of hybrid governance was utilized to analyze how adaptive regulatory flexibility may coexist with formal statutory authority. A limited comparative reference to international sandbox literature was incorporated to contextualize Indonesia's regulatory design within broader fintech regulatory developments.

Secondary legal materials consisted of scholarly journal articles, academic monographs, institutional policy reports, and empirical publications relating to fintech regulation, regulatory sandboxes, and financial sector governance. These materials were used to support doctrinal interpretation and conceptual analysis rather than to establish independent quantitative measurement.

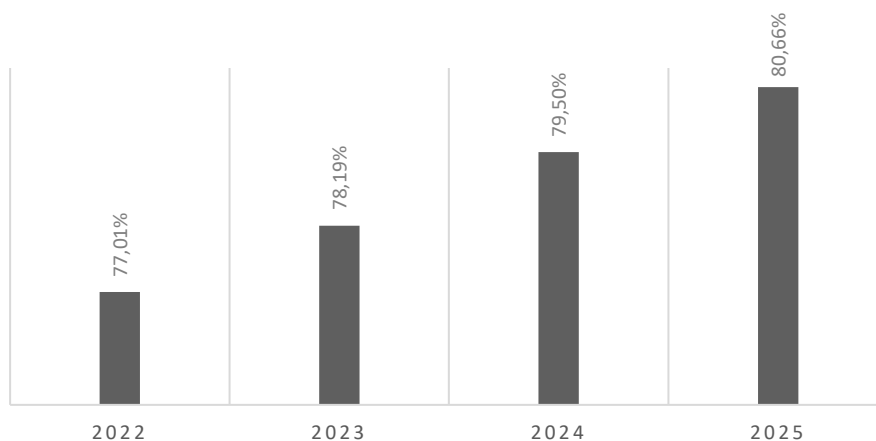
To complement the normative analysis, descriptive sectoral data concerning the number of registered ITSK providers and total asset growth within supervised innovation categories were incorporated from official OJK publications. These data were used illustratively to assess whether sandbox institutionalization coincided with observable sectoral development. However, the study does not claim causal inference between sandbox implementation and financial growth. The empirical discussion is therefore limited to identifying regulatory alignment and institutional integration rather than establishing econometric causality.

All materials were analyzed qualitatively through systematic legal interpretation emphasizing coherence between statutory authority, regulatory objectives, administrative procedure, and observed institutional developments. This analytical framework aims to determine whether the regulatory sandbox operates as a hybrid legal policy instrument capable of balancing innovation facilitation, legal certainty, and financial sector stability within Indonesia's supervisory architecture.

RESULTS AND DISCUSSION

Digital Infrastructure as the Structural Foundation of Fintech Expansion

Regulatory transformation within the financial sector must be understood as a structural response to digital expansion rather than as an isolated institutional initiative. The acceleration of internet penetration in Indonesia has fundamentally altered patterns of financial intermediation, reshaped consumer engagement, and expanded the scale of digital transactions. Financial technology innovation develops within this expanding ecosystem, where connectivity determines both market opportunity and supervisory exposure. Digital connectivity functions as a structural precondition for fintech scalability. Increasing internet penetration expands the potential user base of digital lending, financial aggregation platforms, payment systems, and digital asset services. As reported in recent national digital statistics, Indonesia has experienced steady growth in internet access over the last several years (Sari, 2025). This expansion directly correlates with broader participation in digitally mediated financial services.



Picture 1 Internet Penetration Rate in Indonesia (2022–2025)

Source: Processed from APJII data (Sari, 2025)

As illustrated in Picture 1, internet penetration increased from 77.01 percent in 2022 to 80.66 percent in 2025 (Sari, 2025). Although the numerical increase appears incremental, the absolute growth of connected users represents a significant enlargement of the digitally active population. This development intensifies both financial inclusion and regulatory exposure.

From a governance perspective, expanding digital participation simultaneously produces opportunity and supervisory complexity. Higher transaction volumes, cross-platform integration, and digital asset activity increase systemic interdependence. Policy analysis of Indonesia's digital economy has emphasized that technological acceleration must be accompanied by proportional regulatory adaptation to prevent governance gaps (Rumata & Sastrosubroto, 2020). The regulatory challenge therefore lies in designing mechanisms that preserve innovation incentives while maintaining prudential discipline.

Within this structural context, the regulatory sandbox emerges as a calibrated institutional response. Rather than imposing immediate full compliance obligations upon emerging fintech actors, the sandbox provides a controlled and time-bound experimentation framework under supervisory oversight. This approach reflects adaptive regulation embedded within statutory authority under Law Number 21 of 2011 and reinforced by Law Number 4 of 2023. The mechanism thus operates within formal legal structure rather than outside it.

The structural expansion of digital infrastructure does not merely contextualize the sandbox; it explains its regulatory necessity. As digital participation deepens, supervisory institutions must recalibrate regulatory sequencing to ensure that innovation develops within bounded administrative oversight. The sandbox represents an effort to reconcile digital transformation with rule-of-law principles by structuring experimentation within defined procedural limits.

Regulatory Sandbox as an Adaptive Legal Policy Instrument

The regulatory sandbox introduced under OJK Regulation Number 3 of 2024 represents a deliberate recalibration of regulatory sequencing within Indonesia's financial supervisory framework. Rather than subjecting emerging fintech actors to immediate full-scale licensing obligations, the sandbox establishes a controlled and time-bound testing environment under supervisory monitoring. This model reflects a purposive legal policy choice aimed at reconciling technological dynamism with institutional accountability.

The legal foundation of the sandbox is anchored in Law Number 21 of 2011 concerning the Financial Services Authority, which grants OJK supervisory and regulatory authority over financial services activities. This mandate was substantively reinforced through Law Number 4 of 2023 concerning the Development and Strengthening of the Financial Sector, which expands OJK's supervisory competence to include Financial Sector Technology Innovation and digital financial assets. The formalization of sandbox supervision under OJK Regulation Number 3 of 2024 therefore constitutes an exercise of delegated statutory authority rather than discretionary experimentation beyond legislative mandate (Otoritas Jasa Keuangan, 2024).

Normatively, Article 10 of OJK Regulation Number 3 of 2024 establishes eligibility standards requiring demonstrable innovation relevance, consumer benefit, technological readiness, and regulatory necessity. These criteria operate as regulatory filters designed to prevent arbitrary participation and to maintain supervisory coherence. The sandbox does not suspend regulation; it restructures the timing and intensity of compliance through conditional evaluation. In doctrinal terms, this mechanism represents adaptive norm sequencing rather than regulatory exemption.

International scholarship has identified regulatory sandboxes as instruments capable of reducing regulatory uncertainty while preserving oversight (Goo & Heo, 2020). Empirical evidence further suggests that sandbox participation may enhance innovation credibility and improve access to funding (Cornelli et al., 2024). However, such flexibility remains normatively legitimate only when embedded within transparent supervisory parameters. Without procedural boundaries, sandbox frameworks risk generating interpretative ambiguity or asymmetrical regulatory treatment.

It is within this context that the Indonesian sandbox may be conceptualized as a form of hybrid governance. Hybrid governance in financial regulation refers to the integration of experimental flexibility within formal statutory supervision. Unlike purely deregulatory approaches, hybrid governance does not eliminate compliance obligations; rather, it stages them. Compliance is sequenced through structured experimentation, ongoing monitoring, and evaluative determination. The sandbox

therefore functions as a transitional regulatory space in which innovation is tested before full authorization.

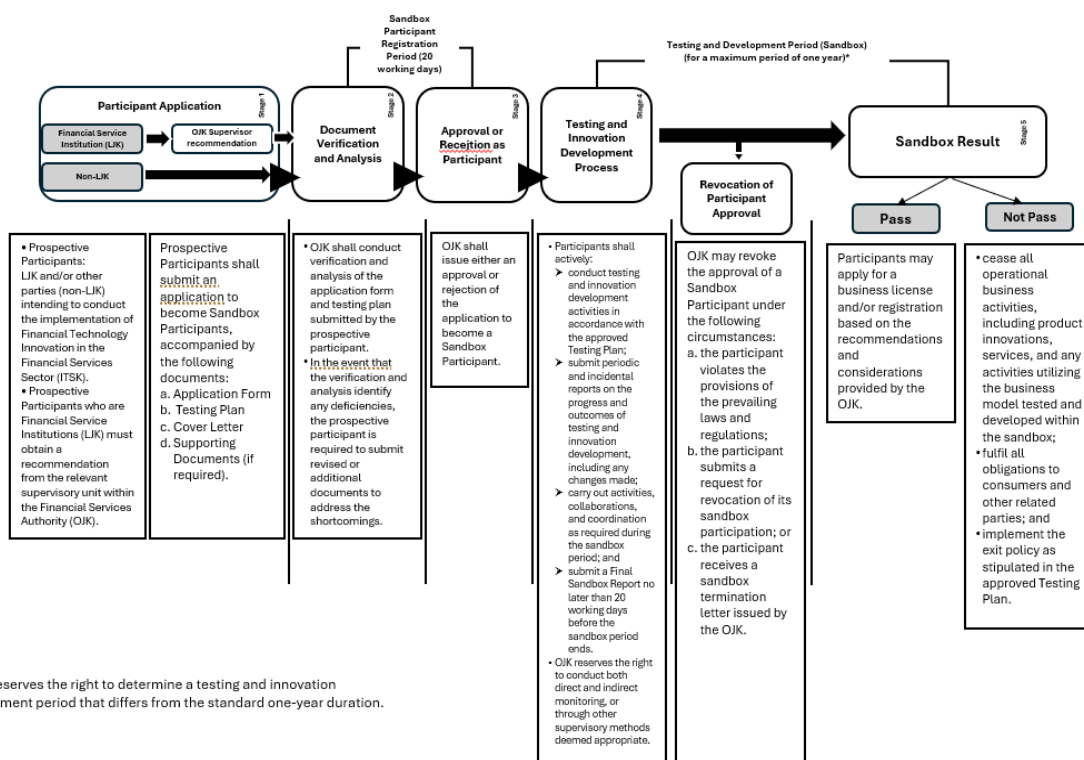
This conceptualization constitutes a distinct contribution to the regulatory sandbox discourse. Existing literature frequently emphasizes economic outcomes such as funding access or market expansion without systematically examining how sandbox mechanisms recalibrate legal certainty within administrative law frameworks (Goo & Heo, 2020; Cornelli et al., 2024). By situating the Indonesian sandbox within legal certainty theory, this study reframes the mechanism not merely as an innovation-enabling tool, but as a legal policy instrument designed to harmonize flexibility with rule-of-law discipline.

The critical analytical question, therefore, is not whether the sandbox permits innovation, but whether its procedural architecture strengthens or dilutes legal certainty. To answer this inquiry, the next section examines the codified procedural stages governing sandbox admission, monitoring, and exit determination, and evaluates how administrative structure conditions regulatory predictability.

Legal Certainty and Procedural Structure of the Sandbox Mechanism

Legal certainty in financial regulation is not confined to textual clarity of statutory norms; it is equally dependent upon structured administrative procedures that limit arbitrariness and define predictable regulatory progression. Within administrative law theory, certainty derives from transparency of criteria, consistency of application, and defined decision-making stages. Accordingly, the assessment of Indonesia’s regulatory sandbox must extend beyond its normative authorization to its procedural architecture.

The operational structure of the sandbox is elaborated in Circular Letter No. 5/SEOJK.07/2024 concerning the Mechanism for Testing and Developing Innovations. This instrument establishes sequenced stages beginning with formal submission and documentation review, followed by eligibility verification, admission determination, testing and development phases, monitoring obligations, evaluation, and final status decision (Otoritas Jasa Keuangan, 2024). The presence of codified procedural stages demonstrates that experimentation is institutionally structured rather than discretionary.



Picture 2 Detailed Procedural Framework of the Sandbox Mechanism

Source: Processed from SEOJK 5/2024

As reflected in Picture 2, sandbox participation is neither automatic nor indefinite. Admission is contingent upon documented innovation characteristics and regulatory relevance. During the testing phase, participants remain subject to reporting obligations, risk management evaluation, consumer protection safeguards, and supervisory monitoring. The final determination categorized as “pass” or “not pass” confirms that sandbox participation constitutes conditional assessment rather than guaranteed licensing.

From the perspective of legal certainty, this procedural sequencing performs several stabilizing functions. First, it clarifies entry requirements and reduces ambiguity for prospective innovators. Second, it embeds supervisory discretion within defined evaluative benchmarks, thereby limiting arbitrary administrative action. Third, it provides a structured transition pathway from experimentation to either authorization or termination. Legal certainty in this context emerges from procedural predictability rather than rigid immediacy of full compliance (Soekanto, 1985).

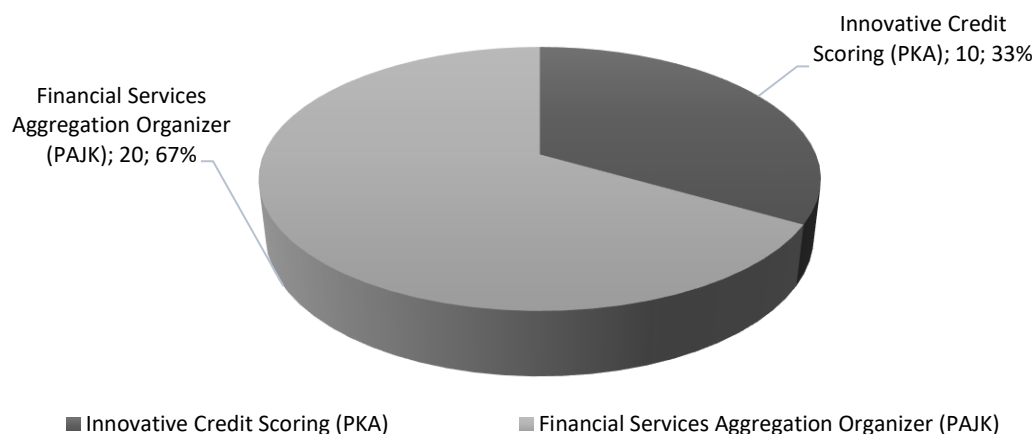
Nevertheless, procedural codification alone does not eliminate discretion. The practical strength of legal certainty depends upon administrative consistency in applying admission criteria, monitoring standards, and exit determinations. Comparative research has shown that sandbox frameworks may generate uncertainty if evaluative reasoning lacks transparency or if supervisory decisions are inconsistently applied (Kálmán, 2025). Thus, certainty is conditioned not only by regulatory design but also by institutional coherence in implementation.

The Indonesian sandbox may therefore be characterized as recalibrated certainty. Rather than imposing comprehensive regulatory obligations at the outset, the framework stages compliance within defined supervisory intervals. Flexibility is permitted, yet bounded by time limitations, reporting requirements, and formal evaluative outcomes. This configuration reflects hybrid governance in operation: adaptive experimentation integrated within formal administrative law structure.

The remaining analytical question concerns whether this structured experimentation has coincided with measurable financial sector development. To address this issue, the following section evaluates descriptive data relating to ITSK participation and asset growth while carefully distinguishing correlation from causal attribution.

Empirical Development of ITSK and Financial Sector Growth

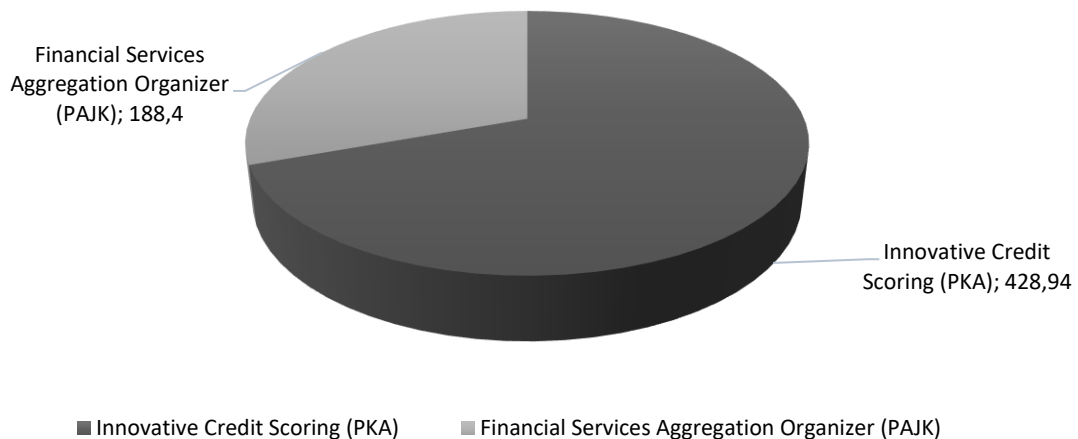
Normative legitimacy in financial governance must ultimately be assessed against observable institutional developments. While doctrinal coherence and procedural clarity are essential components of legal certainty, regulatory instruments also operate within economic ecosystems that reflect measurable change. In the Indonesian context, the growth of registered Financial Sector Technology Innovation (ITSK) providers and the expansion of supervised asset value provide descriptive indicators of institutional integration under OJK supervision (Otoritas Jasa Keuangan, 2025).



Picture 3 The Total Number of ITSK Providers
Source: Processed from OJK data (Otoritas Jasa Keuangan, 2025)

Picture 3 demonstrates a consistent increase in the number of registered ITSK providers across innovation categories, including Innovative Credit Scoring (PKA) and Financial Services Aggregation Organizers (PAJK). The upward trajectory reflects not merely market entry, but integration into formal

supervisory channels. From a regulatory governance perspective, this pattern suggests that fintech actors increasingly perceive regulatory participation as institutionally beneficial rather than prohibitive. International empirical research has indicated that sandbox participation may enhance regulatory credibility and improve investor confidence (Goo & Heo, 2020; Cornelli et al., 2024). In the Indonesian case, the expansion of registered ITSK entities occurs alongside supervisory consolidation under Law Number 4 of 2023, reinforcing the interpretation that adaptive regulation has not obstructed formal compliance pathways. However, participation growth alone does not constitute evidence of systemic strengthening. A more substantive indicator of sectoral development is reflected in asset accumulation within supervised innovation categories.



Picture 4 The Total Asset of ITSK (In Billion Rupiah)

Source: Processed from OJK data (Otoritas Jasa Keuangan, 2025)

As illustrated in Picture 4, total asset value within supervised innovation categories has increased markedly over the observed period. Asset growth reflects operational scaling, heightened transaction volume, and deeper financial participation. From a prudential standpoint, the coexistence of regulatory experimentation and asset expansion suggests that the sandbox framework has not suppressed capital formation within fintech sectors. Nevertheless, analytical caution is required. The observed simultaneity between sandbox institutionalization and sectoral growth does not establish direct causation. Financial expansion may also be influenced by macroeconomic conditions, global digital asset cycles, liquidity dynamics, and investor sentiment. Recent scholarship emphasizes that fintech growth can amplify volatility and systemic exposure if supervisory capacity does not evolve proportionally (Cornelli et al., 2024). Accordingly, the present study limits its empirical claim to correlation and regulatory alignment rather than causal determination.

Beyond participation and asset growth, developments in digital asset markets further illustrate supervisory integration. The formal recognition and oversight of crypto-related activities under OJK authority demonstrate regulatory consolidation within a sector historically characterized by fragmentation. However, digital asset markets remain structurally volatile, reinforcing the necessity of prudential safeguards and transparent supervisory reasoning. Taken together, the empirical indicators demonstrate that adaptive regulation has coincided with measurable institutional integration and sectoral expansion. The sandbox appears to function as a structured entry mechanism into compliance rather than a deregulatory exception. Yet, the sustainability of this equilibrium depends upon the maintenance of consumer protection standards, consistent administrative application, and proportionate risk management. The final analytical consideration therefore concerns governance risks and structural limitations that may challenge long-term regulatory balance.

Governance Risks, Consumer Protection, and Structural Limitations

Empirical expansion, while indicative of institutional integration, does not by itself establish regulatory legitimacy. Financial governance must be evaluated not only by participation growth and asset accumulation, but by its capacity to preserve market integrity, protect consumers, and mitigate systemic risk. Within Indonesia's supervisory architecture, consumer protection constitutes a statutory mandate under Law Number 21 of 2011. Sandbox participation therefore does not suspend supervisory responsibility; rather, it operates within continuing regulatory oversight.

Circular Letter No. 21/SEOJK.02/2019 concerning the Regulatory Sandbox and Circular Letter No. 5/SEOJK.07/2024 concerning the Mechanism for Testing and Developing Innovations specify evaluative dimensions including governance structure, risk management systems, information technology reliability, anti-money laundering compliance, and consumer protection safeguards (Otoritas Jasa Keuangan, 2019; 2024). These regulatory instruments demonstrate that experimentation is embedded within prudential assessment rather than deregulated permissiveness. The sandbox framework, in this regard, reflects controlled flexibility bounded by administrative monitoring.

Nevertheless, governance risks remain inherent in sandbox models. Hybrid governance structures where experimental flexibility coexists with formal supervision are require consistent and transparent administrative reasoning. Admission decisions, monitoring standards, and exit determinations must be applied uniformly to prevent perceptions of preferential access or regulatory asymmetry. Comparative research indicates that sandbox mechanisms may generate uncertainty if evaluative criteria are insufficiently transparent or inconsistently implemented (Kálmán, 2025). Legal certainty therefore depends not solely on procedural codification but on administrative consistency in practice.

Prudential implications are particularly salient within digital asset markets. Increased participation and asset growth may reflect economic dynamism, yet they also heighten exposure to volatility, liquidity risk, and speculative cycles. International analyses caution that fintech-driven expansion can amplify systemic vulnerability if supervisory capacity does not evolve proportionately to innovation complexity (Cornelli et al., 2024). The Indonesian supervisory transition of crypto oversight into OJK authority under Law Number 4 of 2023 represents an attempt to consolidate prudential control within a unified institutional framework.

A further structural limitation concerns the transitional character of the sandbox itself. By design, the sandbox functions as a pre-authorization testing mechanism. If experimentation phases become prolonged or if exit criteria lack clarity, the distinction between temporary flexibility and full regulatory compliance may blur. Such ambiguity could weaken predictability and undermine the recalibrated legal certainty that the framework seeks to institutionalize. Hybrid governance remains legitimate only insofar as flexibility remains temporally bounded and normatively disciplined.

From a legal policy perspective, the sandbox represents neither deregulation nor rigid command-and-control supervision. It constitutes a calibrated instrument designed to sequence compliance, monitor innovation, and integrate emerging financial actors into formal oversight structures. However, its long-term effectiveness depends upon transparent decision-making, proportionate risk assessment, and continued reinforcement of consumer protection safeguards.

Governance risks therefore do not invalidate the sandbox model; rather, they define the conditions under which it may remain normatively legitimate. The Indonesian regulatory sandbox can function as a balanced instrument of modern financial governance only if adaptive flexibility remains consistently aligned with statutory authority, prudential discipline, and the foundational requirement of legal certainty.

CONCLUSION

The regulatory sandbox introduced under OJK Regulation Number 3 of 2024 represents a structured legal policy instrument designed to reconcile technological innovation with prudential supervision within Indonesia's financial regulatory system. Anchored in the statutory authority granted by Law Number 21 of 2011 and reinforced by Law Number 4 of 2023, the sandbox institutionalizes controlled experimentation within a formal supervisory framework rather than outside it. Its function is not to suspend regulation, but to recalibrate regulatory sequencing through time-bound testing, structured monitoring, and evaluative determination.

In relation to legal certainty, the Indonesian sandbox model does not diminish regulatory predictability; instead, it redefines certainty through procedural architecture. Clearly articulated eligibility standards, codified supervisory stages under SEOJK 5/2024, and defined exit determinations collectively establish administrative predictability within adaptive governance. Legal certainty in this context derives from transparent procedural sequencing and consistent supervisory application, rather than from immediate imposition of comprehensive compliance obligations. The sandbox therefore reflects a hybrid governance model in which experimental flexibility is integrated within statutory oversight and administrative accountability.

Empirical developments in the growth of registered Financial Sector Technology Innovation providers and the expansion of supervised asset value indicate that sandbox institutionalization has coincided with measurable financial sector development. However, the analysis does not assert direct causation between sandbox implementation and sectoral expansion. Financial growth may also be influenced by broader macroeconomic conditions, digital market cycles, and investor dynamics. The findings therefore support regulatory alignment and institutional consolidation rather than deterministic causal attribution.

At the same time, governance risks and prudential considerations remain inherent in adaptive regulatory models. Volatility within digital asset markets, potential asymmetry in supervisory discretion, and the need for sustained consumer protection underscore that regulatory flexibility must remain bounded by statutory discipline and administrative transparency. The sandbox must retain its transitional character as a pre-authorization mechanism to preserve the integrity of the broader regulatory framework. This study is limited by its normative juridical approach and descriptive reliance on institutional data, without econometric measurement of causal impact. Future research may employ quantitative or comparative methodologies to evaluate long-term systemic effects of sandbox implementation across jurisdictions.

Overall, the Indonesian regulatory sandbox demonstrates that adaptive regulation can operate within rule-of-law parameters when supported by clear procedural architecture and statutory grounding. When flexibility remains disciplined by legal certainty, prudential safeguards, and transparent administrative practice, the sandbox functions not as an exception to regulation, but as an instrument of modern financial governance responsive to technological transformation.

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