

Legal Challenges of Supervising Financial Technology in the Banking Sector

1. Zahra Yousefian[✉]: Department of Financial Management, SR.C., Islamic Azad University, Tehran, Iran

2. Ali Zare^{*}: Department of Private Law, SR.C., Islamic Azad University, Tehran, Iran

3. Maryam Khalili Araghi[✉]: Department of Financial Management, SR.C., Islamic Azad University, Tehran, Iran

4. Mahdi Madanchi Zaj[✉]: Department of Financial Management, CT.C., Islamic Azad University, Tehran, Iran

*Correspondence: Alizare@iau.ac.ir

Abstract

This article examines the challenges facing financial technology (FinTech) within the legal framework and the process of regulating its activities in the banking sector. By introducing innovation into traditional banking services, FinTech creates significant challenges for regulatory authorities in adapting existing legal frameworks to accommodate these technological advancements. Achieving a balance between promoting innovation, protecting consumers, and maintaining financial stability is essential. The regulatory framework must be sufficiently flexible to foster innovation while ensuring that FinTech companies operate within the bounds of the law and safeguard the interests of all stakeholders involved.

Keywords: FinTech, RegTech, Sandbox, Legal Challenges.

Received: 01 February 2026

Revised: 07 June 2026

Accepted: 15 June 2026

Initial Publication: 04 October 2026

Final Publication: 01 November 2026



Copyright: © 2026 by the authors. Published under the terms and conditions of Creative Commons Attribution-NonCommercial 4.0 International (CC BY-NC 4.0) License.

Citation: Yousefian, Z., Zare, A., Khalili Araghi, M., & Madanchi Zaj, M. (2026). Legal Challenges of Supervising Financial Technology in the Banking Sector. *Legal Studies in Digital Age*, 5(6), 1-8.

1. Introduction

Financial technologies, or FinTech, refer to technologies that seek to improve financial services through software applications and specialized algorithms. Today, financial technologies have improved the quality of service delivery to bank customers, reduced costs, and saved time in receiving services similar to those provided before the emergence of these technologies. Accordingly, the main objective of financial technology is to improve the financial performance of customers and companies.

FinTech operates in diverse sectors such as payments, insurance, lending, crowdfunding, trading, investment, blockchain, and cryptocurrencies, and continuously provides new services and products to customers. Suppose that an activity is conducted on a blockchain platform and, in exchange for the national currency or a cryptocurrency received from customers, gives them a digital document or token and claims that their token is backed by gold, diamonds, or another valuable asset, and that its value will increase as the financial value of the underlying asset rises. Suppose also that the sold documents can be bought and sold through an application belonging to this business. The question then arises as to under which laws and regulations this

activity and business should be classified. From which authority should this business obtain a license? Should such a business be permitted to operate? What potential risks may affect customers and the financial system?

Banks generally cannot directly enter new domains because of the need to remain up to date in their field of activity, and they are therefore prevented from operating in such areas. For this reason, they move toward cooperation with start-ups in order both to innovate in new domains and to contribute to banks' ongoing projects. This strategy provides the best growth-to-cost ratio, while also eliminating competitors and stabilizing the financial ecosystem (Zhao et al., 2019). This cooperation also has benefits for both parties and includes cooperation benefits for banks, cooperation benefits for FinTech firms, and cooperation benefits for banks, FinTech firms, and customers (Románova & Kudinska, 2016). Today, the relationship between banks and FinTech firms is reciprocal, because, on the one hand, the bank provides the FinTech firm with its customer data, and, on the other hand, the FinTech firm finds an opportunity to test its innovative theories and models; through the resulting products, both parties may obtain extensive profits and returns (Coetzee, 2018). Therefore, by pursuing a partnership strategy, banks can expand and develop the scope of their services without becoming involved in very high investment costs (Drasch et al., 2018). However, cooperation between banks and FinTech firms involves certain challenges and risks. The most important risk and challenge in this cooperation is that, from the perspective of banks, emerging FinTech firms do not comply with information technology security standards and legal frameworks, and many legal and juridical gaps can be observed in this type of cooperation (Zalan & Toufaily, 2017). Accordingly, the purpose of this study is to examine the legal dimensions of this type of cooperation between FinTech firms and banks and to address the existing challenges and legal gaps.

2. Research Background

With the beginning of the second decade of the twenty-first century, the FinTech phenomenon experienced considerable growth, and cooperation between banks and FinTech firms became an important issue in financial matters. Therefore, this cooperation requires careful scientific examination. Although the rate of production of scientific content in this field is very good, there is still limited literature on the aspects and dimensions of cooperation between these two traditional and modern institutions, namely banks and FinTech firms, especially with respect to its legal dimensions.

A study in this field indicates that the development of technology and innovative methods in financial services has created numerous opportunities and challenges. The diversity of financial services and products, the speed of technological developments, and unknown processes in the field of financial technology are among the main reasons for the slowness and inefficiency of legal systems. Financial technologies have placed citizens' financial relations beyond traditional legal frameworks and political borders, without requiring governmental infrastructure or approval by central institutions. The results show that the effectiveness of supervisory methods depends on minimizing intervention and recognizing the autonomy of financial technology standards. Therefore, benefiting from the advantages of financial technologies and managing their risks requires a revision of relevant criteria at both substantive and formal, or instrumental, levels. Finally, another study examines the importance of financial harmonization among sectors, integrated financial supervision, and the role of the Basel Committee in ensuring financial stability. This study emphasizes the necessity of both a principles-based approach and a rules-based approach in financial management (Zarei & Edrisian, 2022).

Another study analyzed the current and future challenges of cooperation between the banking and FinTech sectors. The results show that the need for precise and comprehensive policies, laws, and regulations related to cooperation constitutes one of the main challenges of banking–FinTech cooperation. Future challenges may lead to the development of the concept of open banking as a result of cooperation with affiliated FinTech firms. The results of this study provide significant recommendations for government policies and for considering an appropriate banking–FinTech cooperation model for the present and future (Drasch et al., 2018).

Another study examined the prospects and challenges of Islamic financial technology in Indonesia, a country with the largest Muslim population in the world. The study proposes a comprehensive legal framework to encourage and accelerate the growth of the Islamic economy (Zalan & Toufaily, 2017).

Zalan identified the barriers to the development of bank–FinTech cooperation as follows: first, the prevalence of cash as the preferred payment method; second, public distrust of the financial system; third, the conservative approach of older and long-

standing customers toward adopting modern methods; fourth, the numerous difficulties faced by FinTech start-ups in securing financing and obtaining funds, which consequently slows their growth; fifth, the shortage of information technology specialists in banks for understanding and communicating with FinTech firms in knowledge-based financial fields; and sixth, the inability and slowness of legislation and regulation in understanding and directing technology (Zalan & Toufaily, 2017).

Another study examined the FinTech industry and the formulation of a FinTech development policy program in Iran. This study indicates that FinTech is an emerging industry that, with the rise of new financial technologies and FinTech companies, has created new legal and regulatory challenges. The challenges of FinTech in banking include challenges related to customer management, regulation, technology integration, security, and privacy. In addition, the formulation of an appropriate policy program can resolve the legal and regulatory challenges of FinTech in banking (Zarei & Edrisian, 2022).

Another study examined emerging phenomena and the legal measures taken in this regard. It states that, in the areas of electronic money and blockchain, the frameworks of legal supervision are not in an appropriate condition. Therefore, decision-making institutions must adopt suitable solutions as soon as possible regarding this widespread emerging phenomenon (Zarei & Edrisian, 2022).

A study conducted in the field of infrastructure research and productive affairs examined the FinTech industry and the formulation of a FinTech development policy program in Iran. FinTech is an emerging industry that, through the emergence of new financial technologies and FinTech companies, has created new legal and regulatory challenges and seeks to transform the existing financial industry by eliminating additional costs, increasing the quality of financial services, and disintermediating traditional financial companies. The challenges of FinTech in banking include challenges related to customer management, regulation, technology integration, security, and privacy. By using new technologies such as blockchain and robotics, FinTech provides personalized round-the-clock services. Overall, this study examines the position of FinTech in the financial industry and the challenges facing it and emphasizes the necessity of cooperation between financial and technological institutions for the development of this industry (Basole & Patel, 2018).

Another study notes that, since the FinTech industry and the regulations governing it in Iran are still at an early stage of formation, it examines recognized legal systems in this industry in the United States of America and, relying on a comparative method, identifies FinTech and the challenges facing it within the legal framework and the process of regulation (Zarei & Edrisian, 2022).

Another study states that regulatory rules may cause FinTech companies not only to be deprived of the possibility of economically exploiting their investment in this field, but may also, in some cases, lead to convictions and penalties that can disrupt their other areas of activity. Systematizing FinTech activities and ensuring that companies active in this field are aware of the mandatory laws governing them are essential not only for the continuity of their activities but also for protecting the public interest and, at the macro level, preserving and systematizing national economies. Ultimately, in the Iranian legal system, considering the involvement of various institutions in the regulatory system and the lack of an appropriate platform for testing the activities of FinTech companies before their entry into the market, it is highly important that the Central Bank, the Ministry of Information and Communications Technology, the Ministry of Industry, Mine and Trade, the Consumer Protection Organization, and other relevant institutions, alongside the main legislative institution, namely the Islamic Consultative Assembly, provide clear solutions for the activities of technology-oriented companies and exercise continuous and effective supervision over their performance (Zarei & Edrisian, 2022).

3. Research Method

Using a library-based study and reviewing related research in the fields of banking and FinTech, this study analyzes data and information through content and thematic analysis. Relying on legal documents, statutory provisions, and the regulations of the electronic banking system, the policies related to cooperation between FinTech firms and banks and its legal dimensions are examined.

4. The Legal Framework of FinTech in Banking

The legal framework of FinTech in banking represents an important aspect of modern financial services. As FinTech innovation continues to disrupt the traditional banking sector, regulatory institutions face the challenge of adapting existing laws to accommodate these technological developments. Establishing a balance between fostering innovation and protecting and supporting consumers and financial stability is essential. Legal considerations such as data protection, cybersecurity, anti-money laundering, and consumer rights play an important role in shaping the regulatory environment for FinTech companies (Ghanad, 2008). These companies must navigate a complex network of regulations imposed by different governmental organizations at national and international levels. The legal framework must be sufficiently flexible to foster innovation while ensuring that FinTech companies operate within the bounds of the law in order to protect the interests of all stakeholders involved.

5. Familiarity with Policymaking Institutions and Organizations in the Field of FinTech and the Measures Taken

The institutions and organizations recognized as the main and key actors in legislating and determining FinTech policy include the Islamic Consultative Assembly as the legislative body, followed by the government and the institutions under its supervision, such as the Central Bank, the Central Insurance of Iran, and the Securities and Exchange Organization.

In 2017, the Central Bank, in a report entitled *The Policy of the Central Bank Regarding Financial Technology*, drew on international experiences to define the roles and operational frameworks of different types of financial technologies.

On July 10, 2019, in a notice regarding cryptocurrencies, this institution informed actors in this field of the risks arising from their use. In this notice, the Central Bank considered the issuance of cryptocurrencies backed by the rial, gold and precious metals, and different types of currency to be within the exclusive authority of the Central Bank and limited the entry of financial technology actors into this field (Zarei & Edrisian, 2022).

The second institution that entered the FinTech field with a policymaking approach was Iran Fara Bourse, which, by issuing the crowdfunding guidelines for start-up businesses on January 13, 2018, permitted all companies, including start-ups, knowledge-based companies, and non-knowledge-based companies, to finance their projects through this method (Zarei & Edrisian, 2022).

Subsequently, reference may be made to the Cabinet approval of October–November 2018 regarding financial technology actors (Zarei & Edrisian, 2022). In this approval, the Cabinet required the Central Bank to formulate banking frameworks and regulations for micropayments, electronic wallets, and payments based on different types of technologies within one month from the notification of the approval. According to this approval, the Central Bank was also required to establish an innovative testing environment, or sandbox (Zarei & Edrisian, 2022).

In February–March 2022, the Executive Board of the Central Bank, relying on Articles 10 and 11 of the Monetary and Banking Law of the Country and considering the approval of Session No. 88 of the High Regulatory Commission of the Supreme Council of Cyberspace dated January 20, 2020, entitled “Guidelines for Establishing an Integrated Management System for Regulatory Testing Environments for Innovative Businesses in Cyberspace,” reviewed and approved the “Framework of the Central Bank Regulatory Sandbox System” concerning the guidelines for establishing an integrated management system for regulatory testing environments for innovative businesses in cyberspace and in line with the implementation of the Cabinet approval and facilitation of regulation for businesses providing innovative monetary, banking, and financial services and products. This regulatory testing environment was unveiled in June–July 2022. However, no approval has yet been published in line with this decision.

Considering existing trends and challenges, as a first step, by issuing authorization for the delegation of card-based money transfer services to banks, the ground was prepared for the activity of some financial technology actors. In the next stage, the framework for the activity of another group of financial technology actors, which includes almost all types of payment intermediary businesses, was initiated, and the framework governing this type of business was organized. In addition, the framework for payments based on smart mobile tools and the use of electronic wallets is also in its final stages.

Parallel to what is being done at the Central Bank, many banks in the country have also established support centers and provided the facilities needed by start-up and emerging businesses. Through an operational process, they have implemented

and tested new plans and ideas in a controlled and secure environment. Naturally, only those businesses will successfully pass this test that can create new services for banks or add value to previous services.

According to expert studies conducted in the field of new banking technologies, the general policy of the Central Bank in explaining the position of financial technology and the method of regulation for it has been designed on the basis of international experiences. In this policy, instead of defining institutions and issuing licenses for them—which has been the traditional approach toward institutions in the money market—the focus is on defining roles and operational frameworks for them, without involving the Central Bank in defining and issuing various and changing licenses or imposing on it the heavy responsibility of supervising a large number of financial technology actors.

In the role-framework structure, a hierarchical system explains the relationship between financial technology actors and official institutions licensed by the Central Bank and places risk management and regulatory compliance on the institutions supervised by the Central Bank. The connection between financial technology actors and the country's monetary system is established through credit institutions, and their risk is jointly assessed within the overall risk of credit institutions. In return, credit institutions benefit from the customer acquisition facilities and the sale of services and products that financial technology actors provide for them.

The activity of financial technology actors in the banking field must be compatible with anti-money laundering and counter-terrorist financing regulations, must prevent uncontrolled money creation, and must be subject to the country's foreign exchange regulations and policies.

6. Challenges of Regulating FinTech in Banking

As financial technology, or FinTech, continues to revolutionize the banking sector, regulators face numerous challenges in establishing effective guidelines for governing this rapidly evolving landscape. One of the main challenges lies in balancing the promotion of innovation with the assurance of consumer protection. The dynamic nature of FinTech services, such as peer-to-peer lending and digital wallets, requires regulators to adapt rapidly to emerging risks while not stifling innovation ([Zalan & Toufaily, 2017](#)). In addition, the global nature of FinTech creates jurisdictional complexities and makes it difficult for regulators to apply coherent rules across borders. Furthermore, the absence of standardized regulatory frameworks for FinTech creates challenges in monitoring compliance and effectively enforcing regulations. Therefore, regulators must cooperate at the international level to develop coherent supervisory strategies that promote innovation and protect the stability of the financial system.

7. The Impact of Legal Challenges on FinTech Innovation

Legal challenges play an important role in shaping the landscape of FinTech innovation in the banking sector. These challenges may arise from regulatory uncertainties, privacy concerns, data security issues, and the need to comply with existing financial laws. For example, in open banking schemes, where financial data are shared between third-party providers and banks, ensuring compliance with regulations and protecting customer information becomes vital. The impact of legal challenges on FinTech innovation is twofold: they can hinder the progress of new technologies by creating barriers to entry, or they can stimulate innovation by requiring the development of robust solutions that address these legal concerns. Therefore, understanding and navigating these legal barriers is essential for FinTech companies in order to thrive and drive innovation in the banking industry ([Drasch et al., 2018](#)).

8. Legal Challenges and Gaps

The FinTech industry is nascent and is progressing rapidly. This has placed financial legislators throughout the world under pressure to gain mastery over these new technologies within existing legal frameworks. The speed of technological change necessitates reconsideration of the current legal structure. These structures are largely based on the banking model that existed before the digital revolution, namely when individuals conducted their banking affairs at a local branch and managed their checkbooks every week. Therefore, this category of regulations is not very suitable for developing new models of financial services. But how should legislators respond to this emerging need? Around the world, there are various financial ecosystems

with different degrees of legal complexity. In view of such diversity, there is no uniform one-size-fits-all method that works in every country or satisfies all securities holders in every country. Different legal institutions may adopt different approaches toward innovation, and these approaches will play an important role in how they deal with FinTech.

8.1. Sandbox or Regulatory Testing Environment

One method for controlling and enabling the activity of emerging financial technologies in a secure environment, which has recently emerged, is the sandbox. It is used in various countries and is regarded as a safe space in which products, services, business models, and innovative delivery mechanisms can be tested without being exposed to the immediate legal consequences of entering this field. A sandbox, or regulatory testing environment, makes it possible to strike a balance between innovation in the financial field and the enactment of laws and regulations. This is because entrepreneurs in this field need a more open space to test their businesses, and laws and regulations should not become cumbersome obstacles to the achievement of their goals. The first institution to launch a sandbox was the competent authority in the United Kingdom in 2016 ([Zarei & Edrisian, 2022](#)).

At the initial levels, the sandbox operates through four stages:

First, FinTech companies apply to participate. Second, if the application is accepted by the regulator, the company reaches an agreement with the regulator regarding the criteria for testing products or services, such as the number of customers or transactions subject to the test, or the test period. Third, the company obtains the necessary permits, where applicable, and begins testing its products. Fourth, the company and the regulator remain in regular contact with each other throughout the testing period.

The most important measure taken in recent years to promote financial technologies in business fields is the approval of the sandbox in Iran. In the sandbox process, or regulatory testing environment, the ground is prepared for issuing limited licenses to some businesses whose dimensions have not yet been determined, so that they can begin their activities through this mechanism. After examining how these businesses develop and continue operating, the conditions will ultimately be created for mutual interaction between the regulator and the business ([Zarei & Edrisian, 2022](#)).

The first action related to regulatory sandboxes at the policymaking level was approved by the Cabinet on November 4, 2018, with a focus on FinTech. Part of the first clause of this approval provides that: “The Central Bank of the Islamic Republic of Iran is required to: ... (t) in the areas of innovations that have not yet been regulated, in order to expand innovation in the field of electronic payment technologies, establish an ‘innovation testing space’ with the required banking-payment infrastructures.” In this approval, the Central Bank was required to launch a sandbox in the field of electronic payment, which does not correspond with similar examples in other countries. Therefore, this issue may be regarded as a legal gap in the use of the sandbox environment in the field of financial technologies.

In this regard, in Iran, the “Guidelines for Establishing an Integrated Management System for Regulatory Testing Environments for Innovative Businesses in Cyberspace” contain legal defects and challenges, which are discussed below.

First, since in the Iranian legal system different governmental institutions, including executive bodies and judicial authorities, make decisions separately and without coordination, many governmental approvals are not properly implemented. The decision made by the National Center of Cyberspace through the High Regulatory Commission of Cyberspace provides for a working group in the aforementioned guidelines entitled the “Working Group for Integrated Management and Coordination of Testing Environments.” As a result, different institutions related to cyberspace are brought together in one working group for coordinated action regarding businesses that participate in regulatory sandboxes, because in many cases, FinTech regulation is not limited merely to the actions of one financial regulatory institution, and other institutions also play a determining role.

The second point that should be mentioned in these guidelines is the establishment of different sandboxes in different markets. This matter is clearly referred to in various clauses of Article 3 of the guidelines. By examining different countries that use the legal system of sandboxes, it is not common to use several regulatory institutions for regulating a testing environment.

The third issue concerns the authority approving the guidelines, namely the High Regulatory Commission of Cyberspace of the country, which is one of the commissions of the National Center of Cyberspace. Pursuant to Articles 6 and 9 of the Statute

of the National Center of Cyberspace of the country, approved on September 13, 2012, the purpose and duties of this commission were approved in the session of the Supreme Council of Cyberspace dated September 15, 2012. With respect to the “Guidelines for Establishing an Integrated Management System for Regulatory Testing Environments for Innovative Businesses in Cyberspace,” the High Regulatory Commission approved guidelines that have the nature of law, whereas, according to the principle of separation of powers, legislation is one of the exclusive duties of the legislative branch. Even if the Supreme Council of Cyberspace is deemed competent to approve enactments with the force of law, there is no doubt that the High Regulatory Commission is not competent to take such action. Some provisions of these guidelines that appear to have required approval in the form of law include the establishment of a set of duties for sectoral regulators, most of which are governmental institutions, such as issuing temporary licenses, following up complaints, and examining violations by the working group provided for in the guidelines. In addition, in the description of this commission’s duties, it is repeatedly emphasized that the commission’s decisions must be within the framework of the approvals of the Supreme Council of Cyberspace; however, nowhere in these guidelines is there any reference to an approval of the Supreme Council of Cyberspace as the basis for drafting and approving the guidelines.

The choice of the title “guidelines” for this approval is not appropriate. This is because guidelines are a legal framework in which technical and scientific rules for implementing regulations, including laws and by-laws, are stated precisely and clearly. However, there is no superior regulation concerning this measure, and in terms of its nature, as stated, the commission has engaged in legislation rather than the formulation of policy or general rules (Zarei & Edrisian, 2022).

8.2. Money Laundering, Terrorist Financing, and Their Gaps in the Field of Financial Technologies

Money laundering is one of the most important organized financial crimes in the field of electronic commerce and occurs within the context of new technologies and developments in telecommunication systems under the cover of electronic banking, which is one manifestation of electronic commerce. This is because liquidity obtained from the commission of crimes is always exposed to the risk of confiscation by judicial authorities, and a criminal operation is considered successful only when the proceeds derived from it are protected from this risk. Achieving such an objective is not possible except through laundering these proceeds and concealing their criminal origin. In other words, criminals have no choice but to enter their criminal proceeds into the legal economic cycle and conceal their criminal origin. One of the methods of laundering these proceeds is to use computer information networks and information technologies and to carry out laundering operations under the cover of electronic commerce, which is a highly important and noteworthy matter (Ghanad, 2008).

One of the characteristics of this crime is its transnational nature, and its essence is such that it occurs through the exchange of illegal funds across computer information networks such as the internet or local networks, or through mobile phones. Money launderers carry out their criminal operations by using electronic payment systems on a global scale (Ghanad, 2008).

Technology-based money laundering is, before anything else, the laundering of criminal proceeds, and the only feature that distinguishes it from other methods of money laundering is the additional characteristic of the electronic manner in which the material element of this crime is committed. In other words, in this crime, the criminal operation occurs within computer information networks and through the use of information and communication technologies. Therefore, any codified legal text that enumerates provisions related to money laundering in the broad sense may be examined in this regard. An examination of the domestic legal system indicates the absence of coherent and specific regulations concerning this criminal phenomenon (Ghanad, 2008).

9. Conclusion

Today, supervisory institutions face a major challenge in adapting the current supervisory approach to digital financial services. Insufficient technological expertise, the lack of up-to-date personnel, environmental change, supervisory gaps concerning non-regulated institutions, the absence of the necessary statistics and data, and the lengthy approval process for new legal regulations are among the major challenges before them.

Authorities are attempting to find a balance among the soundness of the financial system, sufficient consumer protection, and technological advances. Adequate consumer protection entails specific guarantees that consumers will enjoy the same level

of protection regardless of the channels and providers they use to purchase financial products and services, whether traditional or digital.

Considering the supervisory and managerial model discussed in the present article, it is possible to supervise this field to some extent. However, what is certain is that, in order to survive, FinTech firms need to operate freely outside the cumbersome frameworks existing in the governing and traditional laws and regulations. As the Central Bank of the Islamic Republic of Iran has, in this regard, merely provided a general policy of the Central Bank concerning the activity of FinTech firms in the money market and has asked operating banks, which need to employ start-ups in order to provide new banking services to their customers, to apply their supervisory frameworks to ensure the proper performance of FinTech firms.

Considering the experiences mentioned in other countries and the research conducted in this field, it is hoped that in the near future we will witness major developments throughout the world concerning the use of new financial technologies and greater acceleration in the provision of financial services.

Under such circumstances, given that FinTech firms and digital currencies can be a starting point for the globalization of financial services and global banking, and given that support from banks and other supervisory and regulatory institutions can prevent our country from falling behind in this field, the necessity of a rapid and comprehensive movement by officials and researchers in this field and the creation of appropriate legal and supervisory platforms for advancing financial objectives in our beloved country is strongly felt. Ultimately, in the Iranian legal system, considering the involvement of various institutions in the regulatory system and the lack of an appropriate platform for testing the activities of FinTech companies before their entry into the market, it is highly important that the Central Bank, the Ministry of Information and Communications Technology, the Ministry of Industry, Mine and Trade, the Consumer Protection Organization, and other relevant institutions, alongside the main legislative institution, namely the Islamic Consultative Assembly, provide a transparent framework for the activities of technology-oriented companies and exercise continuous and effective supervision over their performance.

Ethical Considerations

All procedures performed in this study were under the ethical standards.

Acknowledgments

Authors thank all who helped us through this study.

Conflict of Interest

The authors report no conflict of interest.

Funding/Financial Support

According to the authors, this article has no financial support.

References

- Basole, R. C., & Patel, S. S. (2018). Transformation through Unbundling: Visualizing the Global FinTech Ecosystem. *Service Science*, 10, 379-396. <https://doi.org/10.1287/serv.2018.0210>
- Coetzee, J. (2018). Strategic Implications of Fintech on South African Retail Banks. *South African Journal of Economic and Management Sciences*, 21, 122. <https://doi.org/10.4102/sajems.v21i1.2455>
- Drasch, B. J., Schweizer, A., & Urbach, N. (2018). Integrating the Troublemakers: A Taxonomy for Cooperation between Banks and Fintechs. *Journal of Economics and Business*, 100, 26-42.
- Ghanad, F. (2008). Money Laundering in the Context of Information and Communication Technologies. *Law and Politics*.
- Románova, I., & Kudinska, M. (2016). Banking and Fintech: A Challenge or Opportunity? In *Contemporary Issues in Finance: Current Challenges from across Europe* (pp. 21-35). Emerald Group Publishing Limited.
- Zalan, T., & Toufaily, E. (2017). The Promise of Fintech in Emerging Markets: Not as Disruptive. *Contemporary Economics*, 11, 415-430. <https://doi.org/10.5709/ce.1897-9254.253>
- Zarei, M. H., & Edrisian, H. (2022). Regulatory Sandbox and Its Challenges in the Iranian Legal System. *Journal of Legal Research*, 25(Special Issue on Law and Technology), 169-192. <https://doi.org/10.52547/jlr.2023.228521.2297>

Zhao, Q., Tsai, P. H., & Wang, J. L. (2019). Improving Financial Service Innovation Strategies for Enhancing China's Banking Industry Competitive Advantage during the Fintech Revolution: A Hybrid MCDM Model. *Sustainability*, 11, 1419. <https://doi.org/10.3390/su11051419>