ABSTRACT

The development of Financial Technology (FinTech) provides opportunities for micro, small, and medium-sized enterprises (MSMEs) to improve record-keeping efficiency, financial information transparency, access to financing, and business sustainability. However, these benefits have not been distributed equally because FinTech adoption continues to face limitations related to human resource competence, organizational readiness, digital infrastructure disparities, and cybersecurity risks. This study aims to synthesize the benefits and operational constraints associated with the use of FinTech in the digitalization of MSME financial reporting, identify the risks and dark side of FinTech utilization, and explain inconsistent findings regarding the relationship between FinTech adoption and MSME business sustainability.

This study employs a Systematic Literature Review method based on the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) guidelines. The data were obtained from English-language journal articles indexed in Scopus and published between 2020 and 2026. The initial search identified 375 articles, which were subsequently screened using predetermined inclusion and exclusion criteria, resulting in a final review corpus of 55 articles. The data were analyzed through the mapping of study characteristics, narrative synthesis, thematic analysis, and the identification of research gaps based on population, intervention, comparison, outcome, and research setting.

The findings indicate that FinTech adoption can improve operational efficiency, the accuracy and transparency of financial reporting, access to financial services, and MSME business sustainability. Nevertheless, these benefits are conditional and depend on human resource competence, digital and financial literacy, organizational readiness, and the availability of technological infrastructure. The review also finds that cybersecurity risks, data privacy, dependence on third-party platforms, the digital divide, and potential over-indebtedness remain underexplored in the existing literature. Inconsistencies in the relationship between FinTech adoption and business sustainability are explained by differences in variable definitions and measurements, geographical contexts, types of FinTech, MSME characteristics, and research designs. These findings confirm that business sustainability is not an automatic outcome of FinTech adoption, but results from the interaction between technology acceptance, internal organizational readiness, and external environmental conditions.

Keywords: Financial Technology, MSMEs, digital financial reporting, cybersecurity, business sustainability.