

Analysing National Investment from a Maqasid Shariah Perspective: Understanding Economic Impact and Public Interest

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Abstract

The discourse on investment is important to discuss. This relates to the Islamic investment model in Indonesia being below conventional investment, both in terms of quality and amount of capital and market share. Therefore, if conventional investments are regarded as haram according to Islamic law, this could have a negative impact on the image of the conventional investment market in the future. The purpose of this study is to re-clarify the understanding of investment law in Islam, particularly in the context of conventional investments. In the preparation of the paper, the author uses a descriptive-analytical approach to re-evaluate the law of investment in Islam. The results of this study conclude that although investments that promise huge profits with minimal effort are considered a reasonable practice and can be done because they have become common in society, from the perspective of financial goodness, this can disrupt financial stability, both for investors and in terms of currency value stability (volatility). Although these investment ventures initially originate from real and halal activities, if they are then sold using the derivatives market sales method, they will contain elements of usury, speculation, and uncertainty which are prohibited in some sharia laws because they do not produce good in the context of investing in accordance with Islamic teachings.

Keywords: Investment, Conventional investment, Maqasid shari'ah, and Islam

Abstrak

Diskursus mengenai investasi menjadi penting untuk dibahas. Hal ini berkaitan dengan model investasi Islam di Indonesia yang berada di bawah investasi konvensional, baik dalam hal kualitas maupun jumlah modal dan pangsa pasar. Oleh karena itu, jika investasi konvensional dianggap sebagai haram menurut hukum Islam, hal ini dapat memiliki dampak negatif pada citra pasar investasi konvensional di masa depan. Tujuan dari kajian ini adalah untuk mengklarifikasi kembali pemahaman tentang hukum investasi dalam Islam, khususnya dalam konteks investasi konvensional. Dalam penyusunan naskah, penulis menggunakan deskriptif-analitis. Dalam konteks ini, diperlukan pendekatan maqasid syariah untuk mengevaluasi ulang hukum investasi dalam Islam. Hasil penelitian ini menyimpulkan bahwa meskipun investasi yang menjanjikan keuntungan besar dengan usaha yang minim dianggap sebagai praktik yang wajar dan dapat dilakukan karena sudah menjadi umum di masyarakat, namun dari perspektif kebaikan finansial, hal ini dapat mengganggu stabilitas keuangan, baik bagi para investor maupun dalam hal stabilitas nilai mata uang (volatilitas). Meskipun usaha investasi ini awalnya berasal dari aktivitas riil dan halal, tetapi jika kemudian dijual dengan menggunakan metode penjualan di pasar derivatif, hal ini akan mengandung unsur riba, spekulasi, dan ketidakjelasan yang dilarang dalam beberapa hukum syariah karena tidak menghasilkan kebaikan dalam konteks berinvestasi sesuai dengan ajaran Islam.

Kata Kunci: Investasi, Investasi konvensional, Maqasid syari'ah, dan Islam

A. INTRODUCTION

In this era of growing globalisation, investment has become one of the most important ways to build wealth. However, in seeking financial gain, we often forget to consider moral and ethical aspects. In addition, there are fluctuations in the price of investment assets that are affected by changes in economic conditions, politics, or other factors in the market. This risk can make the value of the investment go up and down.¹ In addition, there is also the risk that the party owed to the investor will not be able to repay the debt.² This is often related to investments in bonds or loans. This is where the perspective of Maqasid Shari'ah or the objectives of Islamic law becomes very relevant.

Maqasid Shariah is an Islamic legal framework that emphasises the importance of achieving moral and ethical goals in human life. It is not just about compliance with the rule of law, but also about ensuring that our actions are in line with the values advocated by the religion and create good in society.³

In this article, the concept of investment from a Maqasid Shariah perspective will be explained. It will then look at how investments that are executed with due regard to Islamic moral principles can help achieve financial success while also promoting social welfare.⁴ It will discuss principles such as the prohibition of usury (interest), investment in halal businesses, equitable distribution of wealth, and various other strategies that are in accordance with Islamic values.

Through a deeper understanding of investment from a Maqasid Shariah perspective, we can create investment portfolios that are more sustainable, ethical and in line with our values as Muslims. Thus, achieving our financial goals while also contributing to the development of a more just and equitable society.⁵

B. METHODS

This research utilises a qualitative approach, which focuses on analysing the process of inferring comparisons and the dynamics of the relationship between observed phenomena by applying scientific logic.⁶ This type of research involves a literature

¹ Tasya Nabila Audina Putri, "Reaksi Pasar Modal Indonesia terhadap Fluktuasi Rupiah atas Pandemi COVID-19 (Studi pada Perusahaan yang Terdaftar pada LQ45 di Bursa Efek Indonesia)," *Jurnal Ilmiah Mahasiswa FEB*, 8.2 (2020), hal. 12.

² Ketut Riandita Anjar Saraswati dan Made Gede Wirakusuma, "Pemahaman atas investasi memoderasi pengaruh motivasi dan risiko investasi pada minat berinvestasi," *E-Jurnal Akuntansi*, 24.2 (2018), 1584–99.

³ Abu Ishak Al-Syathibi, *Al-Muwafaqat*, ed. oleh Syekh Abdullah Diraj (Cairo: Dar Al Hadist, 2006), hal. 125.

⁴ Lu Sudirman dan Hari Sutra Disemadi, "Kebijakan Corporate Social Responsibility: Investasi Sosial dalam Pengembangan Masyarakat selama Pandemi Covid-19," *Jurnal Pembangunan Hukum Indonesia*, 3.3 (2021), 281–98.

⁵ Nur Kholis, "Kesejahteraan Sosial Di Indonesia Perspektif Ekonomi Islam," *Akademika: Jurnal Pemikiran Islam*, 20.2 (2015), 243–60.

⁶ Syaifuddin Azwar, *Metode Penelitian* (Yogyakarta: Pustaka Pelajar, 2001), hal. 5.

study, which is a series of activities related to library data collection methods, reading, recording, and processing research materials.⁷

C. RESULTS AND DISCUSSION

Investment in General

Investment is allocating resources for the long term with the aim of generating profits in the future. Investment can also be defined as investing capital or owning assets for future accounting periods. Another definition of investment is placing a sum of money now with the expectation of earning a profit in the future. In general, investments can be divided into two categories:⁸ Investment in financial assets and Investment in real assets.

Firstly, investment in financial assets. Investments in financial assets can be divided into two main categories, namely:⁹ Firstly, investments in financial assets that occur in the money market, such as certificates of deposit, commercial paper, money market securities, and similar instruments. Second, investments in financial assets in the capital market, such as stocks, bonds, warrants, options, and other instruments traded in the stock and bond markets.¹⁰ So here can be seen the division of investment in financial assets.

Second, investment in real assets. Investment in real assets takes the form of purchasing assets that can produce, setting up factories, starting mining operations, opening plantations, and other activities involving real assets. Investment in real assets falls under the concept of capital budgeting, which refers to the entire process of planning and making decisions regarding the expenditure of funds with a payback period of more than one year.¹¹ Therefore, the concept of capital budget has a very important significance for the Company due to several factors, including:

- a. The invested funds will be tied up for a long period of time. This means that the company will have to wait for a considerable period of time before all the funds that have been invested can be returned or fully recovered.¹²
- b. Investment in fixed assets is related to the expectation of future sales results. Errors in forecasting or planning for these results can result in over investment or under investment in fixed assets. In case of over investment, the company will face high fixed expenses, which may disturb the financial balance of the company. On the other hand, in case of under investment, the company may

⁷ Iwan Hermawan, *Metodologi Penelitian Pendidikan Kuantitatif, Kualitatif Dan Mixed Methode* (Kuningan: Hidayatul Quran Kuningan, 2019), hal. 134.

⁸ Henry Faizal Noor, *Investasi, Pengelolaan Keuangan Bisnis dan Pengembangan Ekonomi Masyarakat* (Jakarta: PT. Indeks, 2009), hal. 24.

⁹ Kholis.

¹⁰ Kholis, hal. 36.

¹¹ Bambang Riyanto, *Dasar-dasar Pembelanjaan* (Yogyakarta: BPFE, 1995), hal. 121.

¹² Riyanto, hal. 121.

experience equipment shortages that may lead to high production costs, reduced competitiveness, or even loss of market share.¹³

- c. The costs incurred for such purposes usually involve significant amounts. The amount may not be recoverable in a short period of time or may not even be recoverable in one go.¹⁴
- d. Errors in the decision-making process regarding capital expenditure will have serious long-term consequences. These decision-making errors cannot be corrected without incurring substantial losses.¹⁵

Meanwhile, trading in securities based on financial assets usually takes place in primary and secondary markets.¹⁶ The Primary Market, also called the initial market, is where shares are first offered by companies to investors during a predetermined period by the issuer before the shares are traded on the secondary market. Typically, this period lasts for at least six business days. The price of shares in the primary market is set by the underwriter and the company conducting the public offering based on fundamental analyses of the company concerned. In the primary market, companies raise the funds they need. The funds raised from the public offering can be used to develop and expand the infrastructure needed to produce goods and services. In addition, the funds can be used to repay debt or to improve the capital structure of the company. It is important to note that the price of shares in the primary market is fixed and managed by underwriters and brokers, and no commission is charged if bookings are made through sales agents.¹⁷

Meanwhile, the secondary market, also known as the second market, is where stock trading between investors takes place after the offering period in the primary market.¹⁸ According to regulations, shares must be listed on the stock exchange within a maximum of 90 days after the issuance permit is granted. In the secondary market, investors have the flexibility to buy and sell shares at any time. For companies, the secondary market serves as a means to attract both individual and institutional investors. Share prices in the secondary market fluctuate according to market expectations, and brokers play a significant role here. In secondary market trading, there is a commission fee payable for the sale and purchase of shares, and the order process is done through an exchange member.¹⁹ In addition, there is no strict time limit in the secondary market. The place where trading takes place in the secondary market is usually divided into two locations.

- a. Official exchanges. Official exchanges refer to legally recognised stock exchanges, such as the Indonesia Stock Exchange (IDX).²⁰

¹³ Riyanto, hal. 121.

¹⁴ Riyanto, hal. 121.

¹⁵ Riyanto, hal. 121.

¹⁶ Abdul Halim, *Analisis Investasi* (Jakarta: Salemba Empat, 2003), hal. 3.

¹⁷ Halim, hal. 3.

¹⁸ Halim, hal. 3.

¹⁹ Sutrisno Sutrisno, "Prospek pasar sekunder obligasi di Indonesia," *Economic Journal of Emerging Markets*, 1995, 26–31; Halim.

²⁰ Sutrisno; Halim.

- b. Alternative exchange. An alternative exchange, or over the counter (OTC), is a securities trading system organised outside the official stock exchange. This system includes the secondary market organised and regulated by the Money and Securities Trading Association (PPUE), with supervision and guidance from BAPEPAM. The main characteristic of OTC is that transactions between sellers and buyers are not centralised in one physical location, but are spread across various broker or dealer offices.²¹

Investment in Islamic Perspective

If we refer to the writings of Sumiyanto at the Institute for Sharia Economic Studies, Islam strongly encourages and advocates the development of wealth through investment activities. On the contrary, Islam prohibits storing wealth, speculating on it, including unproductive capital. Islam also prohibits the hoarding of wealth, in accordance with the verse in the Qur'an which states that "Accident to every swearer and detractor, who collects wealth and counts it, thinking that his wealth will last forever".²²

Such actions are considered a waste of God's bounty and have a negative impact as they inhibit capital growth. When capital growth is hampered, there is less working capital available for investment. This also means hindering the economic development of a country.²³ Therefore, the prohibition of hoarding wealth emphasises the need to channel wealth through investment.

According to Charpa, the importance of managing wealth and capital becomes even stronger when Muslims realise that the Prophet Muhammad himself encouraged productive ventures and investments with his words: "If a Muslim plants a tree or cultivates a field and any bird or person or animal eats from it, it will count as an act of charity for him." Furthermore, Caliph Umar bin Khaththab also stated, "Whoever has wealth should develop it, and whoever has land should plant it. With these legal foundations, it is clear that in Islam, investment and other productive activities are highly encouraged as they contribute to the achievement of the objectives of the Shariah (maqashid Al-Syariah), which is to create the greater good."²⁴

A Muslim's decision to invest in a particular business sector is based on personal initiative, not under pressure, and his partners also co-operate of their own free will. In this way, the investment activity is free from elements of coercion, oppression, or unjust treatment as mentioned in the Qur'an (QS. An-Nisa: 29 and Al-Baqarah: 279). In

²¹ Sutrisno; Halim.

²² Dwi Wulandari Sumiyanto dan Endang Dwi Retnani, "Penerapan Metode Just In Time Terhadap Efisiensi Biaya Bahan Baku Pt Harmonize Invitation," *Jurnal Ilmu dan Riset Akuntansi (JIRA)*, 6.9 (2017), hal. 13.

²³ Nafis Irkhami, "Analisis Risiko dalam Investasi Islam," *Muqtasid: Jurnal Ekonomi dan Perbankan Syariah*, 1.2 (2010), 209–25 (hal. 210–12).

²⁴ Muhammad Umer Chapra, *Sistem moneter islam* (Gema Insani, 2000), hal. 57.

particular, referring to Sula's view, the purpose of investment is to achieve future profits. In the Islamic context, profit has a broader and holistic dimension.²⁵

1. Financial or material aspects, meaning that a type of investment must generate financial benefits that compete with other types of investments.
2. The halal aspect means that a form of investment must avoid areas that are ambiguous or prohibited in Islam. Investments that are not halal will only lead the perpetrators to misguidance and destructive behaviour both individually and socially.
3. Social and environmental aspects, meaning that a form of investment must have a positive impact on society and the surrounding environment, both for current and future generations.
4. The expectation of God's pleasure aspect means that the selection of a particular type of investment should aim to achieve God's pleasure. The realisation of eternal life guides the previous three aspects.

According to Pontjowinoto, there are several basic principles of sharia-compliant transactions,²⁶ namely:

1. Transactions are conducted using assets that provide beneficial value and avoid all forms of unfair transactions. Any transaction that provides benefits will share the proceeds.
2. Money is used as a medium of exchange and not a trading commodity. Its function is as a means of exchange that reflects the purchasing power of a good or treasure. The profit earned from the money depends on the use of the goods or property purchased with the money.
3. Every transaction must be transparent and must not cause losses or elements of fraud on one of the parties, whether it is intentional or not.
4. Risks that may arise must be managed properly to avoid risks that are large or exceed the ability to bear risks.
5. In Islam, any transaction that expects results must be willing to bear the risk.
6. The management applied must be in accordance with Islamic principles, without speculative elements, with respect for human rights, and preserving the environment.

From all the above explanations, it can be concluded that, Shares in Islam play an important role in the concept of finance in accordance with sharia principles. The basic principle of Islamic investment is that shares or ownership in a company must fulfil halal requirements, this is not be involved in haram businesses and must have clear benefits. In addition, transparency, fairness and prudent risk management are key principles in investing in stocks according to Islam. Stock investments made in

²⁵ Ina Nur Inayah, "Prinsip-Prinsip Ekonomi Islam Dalam Investasi Syariah," *Jurnal Ilmu Akuntansi Dan Bisnis Syariah (AKSY)*, 2.2 (2020), 88–100 (hal. 89–90).

²⁶ Muhammad Fauzan, "Pengaruh Kurs Rupiah Dan Right Issue Terhadap Harga Saham PT Telekomunikasi Indonesia Tbk Yang Listing Di Jakarta Islamic Index," *AT-TAWASSUTH: Jurnal Ekonomi Islam*, 3.1 (2018), 48–69 (hal. 48–54).

compliance with these values can provide legitimate financial benefits while adhering to Islamic moral and ethical principles.

Forms of Islamic Investment: Islamic Shares, Sukuk and Islamic Mutual Funds

Shares, or often referred to as "stocks," are one of the most popular instruments in the financial market. Shares can be defined as evidence of capital ownership provided by an individual or entity (company) to a company or limited company. By subscribing this capital, the party acquires a right of claim to the company's income and assets, and has the right to participate in the General Meeting of Shareholders.²⁷

Investment products such as stocks are basically in line with Islamic principles. In the concept of mixing, Islam introduces the syirkah or musyarakah contract, which is a form of cooperation between two or more parties to run a business, where each party contributes funds, goods, or services. In several Quranic verses and Prophetic hadiths, this concept has been explained as follows.²⁸

Meaning: "Daud said, 'He has been unjust to you in asking for your sheep to add to his. And indeed most of those who enter into such alliances, some will be unjust to others, except those who believe and do good; and they are few. Daud realised that We were testing him, so he asked God for forgiveness and prostrated himself and repented.'"

In a hadith transmitted by Abu Daud through Abu Hurairah, the Prophet stated: *"Allah SWT says: 'I am the third party in a covenant between two people as long as neither betrays the other. If one of them breaks the covenant, then I will go out from them.'"* (HR Abu Daud, whose authenticity is recognised by al-Hakim, through Abu Hurairah).

Islamic shares have certain differences compared to conventional shares, especially in terms of the type of business activities of the company and the intention of purchasing the shares. Shariah-compliant shares come from companies that operate in halal sectors and the purchase of these shares is for investment purposes, not for speculation or gambling. Shariah-compliant stocks can be found in the list of companies listed on the Jakarta Islamic Index.²⁹

The mechanism for investing in Islamic Shares on the Stock Exchange is generally provided in two forms, namely through an Initial Public Offering (Initial Market) and through a Second Public Offering (Secondary Market). The price of shares offered in these two markets can differ, and in general, the price of shares in the Secondary Market tends to be higher than in the Primary Market. However, share trading in the Secondary Market tends to be closer to the element of speculation with high risk, which is prohibited in Islam. Nasrun Harun also observed that stock trading in the Secondary

²⁷ Ugy Soebiantoro, "Perdagangan Saham yang Paling Moncer dalam Masa Pandemi Covid 19," *Jurnal Ilmu Ekonomi Pembangunan*, 15.01 (2021).

²⁸ Wahyuning Murniati, "Penambahan Jumlah Investasi pada Simulasi Perhitungan Profit Model Investasi Syariah Musyarakah," *MUST: Journal of Mathematics Education, Science and Technology*, 3.2 (2018), 223–39 (hal. 226–28).

²⁹ Choirunnisak Choirunnisak, "Saham Syariah; Teori Dan Implementasi," *Islamic Banking: Jurnal Pemikiran Dan Pengembangan Perbankan Syariah*, 4.2 (2019), 67–82 (hal. 67–69).

Market is often influenced by insider trading practices, which are the actions of insiders who have access to important information related to stock offerings on the Stock Exchange. This results in unhealthy competition among investors.³⁰

This insider trading behaviour is similar to the practice of *bai al-Khadhir lil-Baadi*, which is a transaction carried out by city dwellers while interacting with villagers, with an element of fraud as the village producers do not have exact knowledge of the price of their commodities. Meanwhile, the system and mechanism of trading shares in the primary market continues to run like normal trading, where shares are traded according to a reasonable amount. In other words, the shares offered have a set price based on the company's situation and market forces.³¹

The profits obtained from trading these shares remain within reasonable limits and are carried out with the principle of transparency, so that shareholders have a complete understanding of all aspects related to the company and its prospects in the future. On the other hand, the trading mechanism of Islamic stocks is different from conventional stocks. Islamic stocks are specifically listed in the Jakarta Islamic Index and are only traded in the primary market. This is done to avoid elements of speculation and insider trading practices that often occur in the secondary market. The sharia stock trading mechanism can be found in the following illustration:³²

The offering of Islamic shares is only done in the primary market, not in the secondary market. This is done to ensure that the trading mechanism of Islamic shares is in accordance with Shariah principles. The secondary market, with elements such as speculation, netting games, and short selling, can disrupt the stability of share prices on the Stock Exchange, especially when such actions can actually damage share prices. This practice is known as "stock frying" and can have a negative impact on price stability in the stock market. Therefore, public offerings in the primary market by investors are then directed to the Stock Exchange, with the Jakarta Islamic Index acting as an entity that identifies and issues Islamic stocks in accordance with certain conditions for investors who plan to conduct Islamic stock trading transactions.³³

From all the explanations above, it can be concluded that stocks are one of the investment products that can be in accordance with Islamic principles. In the context of Islamic investment, shares are considered halal if they come from companies operating in halal business sectors and if the intention of purchasing the shares is for legitimate investment purposes. Although there are differences between Islamic stocks and conventional stocks, Islamic stocks fulfil certain criteria that are in accordance with Islamic principles. It is important to note that transparency, honesty, and the avoidance

³⁰ Choirunnisak, hal. 67–69.

³¹ Ardian Junaedi, "Tindak Pidana Insider Trading Dalam Praktik Pasar Modal Indonesia," *Media Iuris*, 3.3 (2020), 299–318 (hal. 299–294).

³² Hendrato Setiabudi Nugroho, "Portofolio Optimal Saham Menggunakan Model Indeks Tunggal Studi Empirik pada Saham-Saham Jakarta Islamic Index (JII) Periode 2014-2018," *Liquidity: Jurnal Riset Akuntansi dan Manajemen*, 9.1 (2020), 44–51 (hal. 45–49).

³³ Nugroho, hal. 45–49.

of speculative or insider trading practices are important factors in carrying out stock investments in accordance with Islamic teachings. As such, stocks can be an investment option that is in line with Islamic moral and ethical values.

Sukuk (Islamic Bonds)

Obligation comes from the Dutch word "Obligatie," which in Indonesian is called "bond," referring to a contract. Along with the agreement that interest is *riba*, interest-bearing financial instruments are considered incompatible with the principles of *halal* investment. Therefore, an alternative has emerged known as Islamic bonds. According to AAOIFI (Accounting and Auditing Organization for Islamic Finance Institutions), Islamic bonds are certificates of equal value that represent full ownership of tangible assets, benefits, and services, ownership of assets in a project, or ownership in a specific investment activity.³⁴

The term "bond" in the Islamic context is more commonly known as "sukuk," which has the same meaning as certificate or note. The use of the term "Islamic bonds" may at first be considered contradictory, as the word "bonds" is usually associated with interest and is difficult to conform to *Shariah* principles. It is important to note here that what is meant by "Islamic bonds" are "long-term securities," not "long-term debt securities." Islamic bonds can be issued by applying principles such as *mudharabah*, *musyarakah*, *ijarah*, *istisna'*, *salam*, and *murabahah*. However, in Indonesia, the most commonly used principles in bond instruments are *mudharabah* and *ijarah*.³⁵

Bonds, also known as "obligation" in Indonesian, are financial contracts. However, due to the consensus that interest is *riba* and not in accordance with the principles of *halal* investment in Islam, an alternative has emerged known as *sharia* bonds or *sukuk*. *Shariah*-compliant bonds are certificates that reflect full ownership of a specific physical asset, benefit, service, project ownership, or investment activity. The use of the term "Islamic bonds" is sometimes considered contradictory as the term "bonds" is usually associated with interest. However, it should be noted that "Islamic bonds" refer to "long-term securities," not "long-term debt securities." Islamic bonds can be issued by applying principles such as *mudharabah*, *musyarakah*, *ijarah*, *istisna'*, *salam*, and *murabahah*, with *mudharabah* and *ijarah* principles being the most commonly used in Indonesia. As such, *sukuk* are *sharia*-compliant investment instruments and an alternative for usury-averse investments.³⁶

Investment Analysis from the Maqashid Syariah Perspective

Investment activities in its various forms are one of the factors that encourage the economic development of society. This is due to the fact that not always a person can

³⁴ Mujiatun Ridawati, "Perkembangan Obligasi Syari'ah (Sukuk) Di Indonesia," *Al-Qardhu*, 1.02 (2023), 43–57 (hal. 43–49).

³⁵ Ridawati, hal. 43–49.

³⁶ Ridawati, hal. 43–49.

achieve strong financial stability in developing his business.³⁷ Therefore, co-operation with parties that have more financial resources is important in joint business activities with a mutualism approach. As mentioned at the beginning of this paper, investments can be divided into two main categories based on the type of assets used, namely physical asset-based investments and financial asset-based investments. An example of physical asset-based investment can be found in the hadith of the prophet, which means as follows:

In the narration of al-Sa'ib al-Mahzumi (r.a), he had formed a partnership with the Messenger of Allah (s.a.w) before he was sent as an apostle. When the city of Makkah was reopened, the Messenger of Allah (s.a.w) welcomed him with the words: "Welcome, my brother, and my friend in this partnership." (Narrated by Imam Ahmad, Abu Dawud, and Ibn Majah: 904).

Jabir bin Abdullah (r.a) reported that he said: "I intended to go to Khaibar, and then I visited the Messenger of Allah (s.a.w), and he said: 'If you go to my deputy in Khaibar, take fifteen wasaq from him.'" (Narrated by Abu Dawud and considered valid: 906).

In the history of Islam, there has been no example of financial asset-based investment practices implemented by either the Prophet or the scholars. In today's modern era, investment has become a common activity that many people do, and has even been regulated by institutions such as the stock exchange and regulated in law. For example, Islamic stocks, sukuk, and Islamic bonds have been described by the author as financial asset-based investments. These investments, although related to financial assets, are still related to physical assets in the form of halal businesses run by companies that have gone through a screening process to ensure their compliance with sharia principles.³⁸

However, problems arise when issuers who have made an offer of shares to investors in the primary market are authorised to make an offer in the secondary market through a stock broker. This often involves offering models such as option, spot and warrant. These models set an upper and lower limit to the share price, as well as a time limit for selling the shares. For example, spot has a selling period of 2 x 24 hours, corresponding to the pricing of the stock on the stock exchange. Meanwhile, options and warrants allow for a more flexible selling time, which can go beyond 2 x 24 hours.³⁹

The first pattern (spot) is one in which shares are offered in the secondary market at a price that has been strictly fixed and has a time limit set by the stock exchange. Usually, the stock exchange determines the price of shares in the secondary market during a certain period of time. If the period exceeds 2 x 24 hours, then the sale cannot

³⁷ M Iqbal et al., "Menakar Kemaslahatan Reksadana Syariah Dalam Perspektif Maqashid Syariah," *I-ECONOMICS: A Research Journal on Islamic Economics*, 6.2 (2020), 179–93 (hal. 179–83).

³⁸ Abdul Hakim, "Manajemen Harta Wakaf Produktif Dan Investasi Dalam Sistem Ekonomi Syari'ah," *Jurnal Riptek*, 4.2 (2010), 1–62 (hal. 36–39).

³⁹ Hakim, hal. 36–39; Suad Fikriawan, "Investasi dalam Perspektif Maqashid Al-Syariah," *Al-Mustashfa: Jurnal Penelitian Hukum Ekonomi Syariah*, 3.1 (2018), 15–29.

be made, or in other words, the price applicable to the previous offer is no longer applicable to the new offer after the 2 x 24 hour period ends. Thus, brokers and investors cannot engage in gambling (maysir) on the share price freely. Therefore, in the author's opinion, the use of this pattern is still acceptable in the Shariah context as it avoids gambling (maysir) and therefore, prevents the emergence of riba and gharar.⁴⁰

The second pattern, options and warrants, has a high potential to give rise to gambling activities that can open the door to riba and gharar. This is because the price set in the first offer can be applied (and traded) in the next offer and so on. This can result in large price differences between the first offer and subsequent offers, which is fraught with elements of usury and gharar.⁴¹

In Islam, this is clearly prohibited. The impact can be detrimental at both the micro and macro-economic levels. At the micro level, an investor can be involved in transactions that are unclear, not halal, and not balanced between the effort made and the results obtained. This can affect the mentality of the perpetrators who may be used to more conservative endeavours and want to achieve huge profits. At the macro level, these activities can lead to the emergence of derivatives markets that have the potential to create bubble economies that can affect the value of currencies in an unbalanced manner, based solely on "market" trends and not on increases or decreases in real productivity. As a result, this can jeopardise a country's economic stability and may lead to a monetary crisis.⁴²

When referring to the principles of sharia, it can be found in several verses of the Qur'an and Al-Hadith, as follows: Al-Qur'an Surat Al-Baqarah 278-279: Meaning: *"O you who believe, fear Allah and leave behind the residue of usury (which has not been collected) if you are believers. If you do not do so, then know that Allah and His Messenger will fight you. And if you repent (from taking usury), then to you shall be the substance of your wealth; you shall not wrong nor be wronged."* In addition, the Qur'an Surah An-Nisa' Verse 29: Meaning: *"O you who believe, do not eat your neighbour's wealth by unlawful means, except by way of a mutually agreeable trade between you. And do not kill yourselves; surely Allah is Most Merciful to you."*

In these verses, the importance of avoiding usury, which is considered a prohibited practice in Islam, is emphasised. In addition, the second verse emphasises that in commercial transactions, all parties must agree voluntarily, without any element of deception or exploitation. Thus, the Shariah principles contained in these verses support the emphasis on fair business ethics, avoiding usury, and ensuring that agreements in business transactions are made voluntarily and without oppression.⁴³

Abu Sa'id al-Khudri (r.a.) reported that the Prophet gave the following instruction: "It is not permissible for you to trade gold for gold except by using equal weights, and do not overweight one balance over another. Likewise, do not trade silver for silver except on equal scales, and do not exceed one scale over the other. Also, do not sell

⁴⁰ Hakim, hal. 36–39; Fikriawan.

⁴¹ Hakim, hal. 36–39; Fikriawan.

⁴² Hakim, hal. 36–39; Fikriawan.

⁴³ Hakim, hal. 36–39; Fikriawan.

them in one transaction where one is sold in cash and the other in instalments.” (Muttafaq alahi: 853).

Jabir bin Abdullah (r.a.) also reported that the Messenger of Allah (pbuh) forbade selling food (such as dates) in an unknown quantity according to an agreed measure. (Narrated by Muslim: 857).

From some of the information contained in the Qur'an and Hadith above, it can be concluded that financial investment in the primary market category is permissible according to Islamic sharia. Similarly, investment in the secondary market in the spot category is also permissible. However, financial investments in the secondary market under the option and warrant categories, although they may offer quicker additional returns to the investors, are not allowed in Islam. This is due to their potential negative impact in the long run, which can be detrimental to the economy and even trigger an economic crisis. This is related to the activity of fictitiously multiplying money through such investments. Thus, in the view of Islamic Shariah, it is important to stay away from those types of investments that involve practices that may cause economic instability and contradict the principles of fair and transparent business ethics.

D. CONCLUSION

Based on the research results, it can be concluded that basically investment, especially in the financial sector, is permissible in Islam, provided that the investment structure complies with the principles of Islamic Sharia and does not involve elements of usury, maysir (gambling), and gharar (excessive uncertainty). Sometimes, investments that offer the potential for large profits with minimal effort are considered a reasonable investment practice and can be done because they have become common in society.

From the perspective of its financial merit, this practice can be destabilising both for the investors and at the macro level in terms of currency stability (volatility). While the investment may start on a real and halal basis, if it is then sold using the derivatives market, it becomes fraught with elements of usury, maysir (gambling) and gharar (excessive uncertainty). Several Islamic Shari'ah texts prohibit this practice as it does not do any good in the context of investing in accordance with Islamic teachings.

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