

Whether of Sharia Stock and Corporate Sukuk Play a Role in The Investment Yield Sharia Insurance in Indonesia

Muammar Khaddafi¹, Iskandar Muda², Mohd. Heikal³ Wahyuddin¹ and Falahuddin³
{khaddafi@unimal.ac.id, iskandar1@usu.ac.id, mohd.heikal@unimal.ac.id}

¹ Faculty of Economics, Department of Accounting, Universitas Malikussaleh, Indonesia

² Universitas Sumatera Utara, Medan, Indonesia

³ Faculty of Economics, Department of Accounting, Universitas Malikussaleh, Indonesia

Abstract: This study aims to analyzed of the effect of Gross Sharia Stock and Corporate Sukuk to The Investment Yield Sharia Insurance in Indonesia. Using a causal research design in Indonesia Sharia Insurance from Financial Services Authority (OJK) Indonesia use for this research with used Smart PLS software. The results show that Gross Sharia Stock and Corporate Sukuk influence to Investment Yield Sharia Insurance in Indonesia. The data taken within a short span of 2 years. The implications for Indonesian Financial Services Authority in regulating and governance of stocks and Sukuk in the insurance industry in Indonesia. The results findings that Gross Sharia Stock as a variable considered in generating investment in sharia industry in Indonesia.

Keywords: Investment Yield, Sharia Stock, Corporate Sukuk

1. Introduction

Sharia Shares are securities proof of equity participation of a company with profit sharing system. The shares must also be issued by companies engaged in the lawful business. Shariah Bond is a certificate of a particular asset with a profit-sharing system (A. Ahmed, 2004; M. Ahmed, 2004; Chapra, 2008; Čihák and Hesse, 2008; Kia, 2013; Muda and Dharsuky, 2015; Muda and Nurlina, 2018; Muda and Windari, 2018). This is different from conventional bonds that are debt or interest-bearing loans. The Sukuk funds must also be for a halal business activity (Siddiqi, 1996; Metwally, 1997; Smith, 2002; Shakespeare, 2006). While Sharia Mutual Fund is an investment alternative for investors, especially small investors and investors who much time and expertise to calculate the risk of their investment, so should be assisted by an investment manager. Unlike conventional mutual funds where investment managers who manage investor funds can be free to buy all sorts of shares, for Islamic mutual funds, investment managers must selectively choose Sharia stocks (Usmani, 1998; Story, Thomas Jr. and Schwartz, 2010; Tabash, 2014). Sharia shares do not recognize riba (interest) as well as conventional stocks, but rather adopt a profit-sharing system (ratios) between investors and publicly traded companies issuing securities for trading in the capital market (Zaman, 1993; Warde, 2000) Such a system is also known as musharaka or syirkah. If a publicly funded investor company reaps profits, the investor will enjoy the benefits. Conversely, if the related company suffered losses, investors must also share the loss. Although the value of profit to be obtained by customers is fluctuating company performance, but the portion of the profit to be earned or the risks that will be borne by investors and issuers has been agreed at the beginning through a contract promise (Smith, 2002). The condition is

different from the conventional stocks that apply so that it can provide a more stable profit value for investors affected by the performance of the issuer.

To implement the investment call, it must create a means to invest. Many people choose to invest. One form of investment is to invest in the capital market (Shakespeare, 2006). The capital market is basically a market for various financial instruments or long-term securities that can be traded, either in the form of debt or own capital. The capital market is one of the important pillars in the world economy today. Many industries and companies use intermediary as a medium to absorb investments and media to strengthen their financial position. The presence of syariah capital markets that provide peace and confidence for halal transactions. The opening of the Jakarta Islamic Index in Indonesia (JII) in 2000 as a syariah capital market gives investors the opportunity to invest funds in companies that conform to sharia principles. Various products are offered in syariah index in JII and ISSI such as stocks, bonds, sukuk, mutual funds sharia.

2. Methodology

The research analysis is conducted on planning, supporting factors and outcomes. The results of comparative analysis can find the elements or important factors that lie behind the cultivation and difference (Sirojuzilam and Muda, 2016; Tarmizi, Daulay and Muda., 2016; Dalimunthe, Fadli and Muda, 2016; Gusnardi and Muda, 2016; I. Muda *et al.*, 2016; Iskandar Muda, Sihombing, *et al.*, 2016; Muda, Rahmanta and Marhayanie, 2017; Azlina *et al.*, 2017; Badaruddin *et al.*, 2017; Muda, Ismail and Marhayanie, 2017; Sirojuzilam and Muda, 2017; Nurlina and Muda, 2017; Saputra and Muda, 2017; Sihombing *et al.*, 2017; Dalimunthe and Muda, 2017; Erlina, Tarigan and Muda, 2017; Ferine, Ermiaty and Muda, 2017; Muda, Rahmanta, *et al.*, 2018; Muda, Siregar, *et al.*, 2018; Muda and Hutapea, 2018). Comparative causal research is an *expost facto*, meaning that data that have occurred This research process with systematic empirical research in which the researcher does not control directly because the embodiment of the variable has occurred or the variable is basically cannot be manipulated (Muda and Naibaho, 126AD; Lubis, Lubis and Muda, 2016; Lubis, Torong and Muda, 2016; Lutfi, Nazwar and Muda, 2016; Handoko and Muda, 2017; Hasan, Gusnardi and Muda, 2017; Muda *et al.*, 2017; Hutagalung *et al.*, 2017; Lubis, Rustam and Muda, 2017; Marhayanie and Muda, 2017; Khaddafi *et al.*, 2018; Muda and Hasibuan, 2018). The data used are secondary data sourced from the Financial Services Authority Republic of Indonesia from January 2016-September 2017.

3. Result And Discussion

3.1. Result

The coefficient result 0.005 value $< 5\%$ the decision is reject H_0 and the hypothesis H_a accepted (Iskandar Muda, Panjaitan, *et al.*, 2016; Nurzaimah, Rasdianto and Muda, 2016; Nasir, Basri and Muda, 2017; Sadalia, Rahamani and Muda, 2017; Situmorang, Rini and Muda, 2017; Yahya, Torong and Muda, 2017; Muda, Harahap, *et al.*, 2018; Muda, Roosmawati, *et al.*, 2018; Pohan *et al.*, 2018). The result of t value in the table path coefficients is presented in the following in Figure 1 and Table 1:

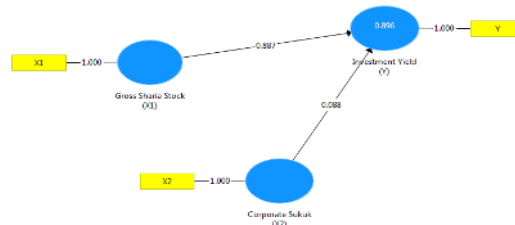


Fig. 1. Overall Model with Coefecient

The effect test as following :

Table 1. The result of Bootsraping

	<i>t</i> Statistics	P Values
Corporate Sukuk (X_2) -> Investment Yield (Y)	0,886	0,376
Gross Sharia Stock (X_1) -> Investment Yield (Y)	10,406	0,000

The results show that Gross Sharia Stock influence to Investment Yield Sharia Insurance in Indonesia. The inner model generated from evaluation is presented in the following Figure 2 and Table 2 :

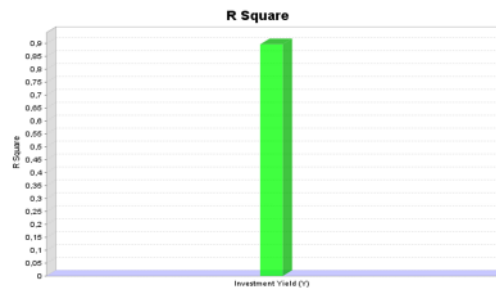


Fig. 2. F Square

Table 2. R-Square Value

	R Square Adjusted
Investment Yield (Y)	0,885

The variation of R-Square value of 89.6%. The existence of Gross Sharia Stock give Contribution On Investment Yield Sharia Insurance.

3.2. Discussion

Sukuk is not a bond, each published sukuk as underlying asset. Proprietary claim on Sukuk is based on asset/project. The use of Sukuk funds should be used for Halal business activities. Remuneration for margin. Shares constitute securities of proof of equity participation to the company and with the proof of such participation obtain a share of the

business. The concept of capital participation with the right part of the results as Musharaka or Syirkah. However, not all shares issued by Issuers may be referred to as sharia shares.

4. Conclusions

The Gross Sharia Stock influence to Investment Yield Sharia Insurance in Indonesia. The study has limitations taken within a short span of 2 years. The implications of this research can be used by the regulating the governance of stocks and Sukuk in the insurance industry in Indonesia.

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