

Islamic Perspectitve On Money Market and The Operation of Sharia Money Market

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Abstract

This study focuses on the money market under sharia principles, which are financial transactions (without interest) in the short term carried out by money market participants or money market players. Due to the purchase of securities is only short term, the transaction is carried out on the basis of trust. The money market that is allowed is the money market that does not use the interest system, this is to avoid usury nasi"ah because the loss (danger) of interest is greater than the benefit. In addition, because Islam prohibits the buying and selling of money as a commodity or speculation. The design of this research is quantitative based on published journals related to the theme in this study Islamic Perspective on Money Markets and Sharia Money Market Operations. This research method is a literature study using secondary data in the form of 20 published journals during the 2011-2021 period which have been published as scientific journals both nationally and internationally to find out Islamic views on money markets and Sharia money market operations. The results showed based on a literature study of 20 published national and international journals based on the year the majority of journals were published in 2016, there were 5 journals (25%), the majority of descriptive research types were 15 journals (75%), the majority of journal areas were from Indonesia, 12 journals (60%), and based on journal subjects, most of them are Islamic Money Market and Interbank Islamic Money Market with 6 journals each (30%).

Keywords: *Islam, Investment, Money Market.*

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1. INTRODUCTION

Islam is a peaceful religion, a religion that brings mercy to the universe, to all people without limited by space or time. His teachings cover all aspects of life, including economics, in its current development it is felt that it is increasingly complex, especially with economic phenomena that are developing with various terms and new types of economic/financial transactions, such as issues of stock exchange transactions, foreign exchange, money markets and so on. (Hakim, 2014)

As one of the economic transactions, the money market (*money market*) is a market consisting of financial institutions and short-term money and credit traders who have money to lend or want to borrow money; meeting between supply and demand for

short-term funds. The definition of short term is conventionally interpreted in a period of one year or less than one year. The Islamic money market also has the same function as the conventional money market, but in its operations the Islamic financial market is run based on sharia. (Lutfi, 2008)

In the view of sharia, money is not a commodity but only as a tool to achieve economic added value. Without the added economic value, money cannot create prosperity. This is in contrast to interest-based banking where money breeds money, regardless of whether it is used in productive activities or not. Time is the main factor. Meanwhile, in the view of sharia, money will only develop if it is invested in real economic activities (tangible economic activities). Thus the relationship between Islamic banks and their

customers is more as partners than as lenders or borrowers. Islamic banks can act as buyers, sellers, or lessors. This can be done directly, where the bank has the expertise to act as a trading company (trading house), or indirectly by acting as an agent for its customers. (Arifin, 2003).

To make a profit, money must be closely linked to basic economic activities (Primary economic activity), either directly acting as a trading house to carry out transactions such as trading, industrial activities or leasing and others, or indirectly acting as an investment company to invest in capital to carry out one or all of these business activities. (Arifin, 2003)

The need for a money market is motivated by the need for entrepreneurs to obtain funds in the short term or must be fulfilled immediately. (Lutfi, 2008) Money market needs arise because revenues from the economic unit do not coincide with expenditures. These units can hold the balance of money. That is, transaction balances in currency, current accounts, or current accounts to ensure that planned expenditures can be maintained independently of cash receipts. (Bhaswarendra Guntur Hendratri, 2017)

This market is described as a money market because the assets that are bought and sold are short term with maturities ranging from one day to a year, and are usually easily converted into cash. Money markets include markets for instruments such as bank accounts, including term certificates of deposit, interbank loans, money market mutual funds, securities, treasury bills, and marketable securities loans and repurchase agreements. By convention, the term money market refers to a market for the short-term needs and development of funds. (Bhaswarendra Guntur Hendratri, 2017)

Based on the description of the phenomenon related to the Islamic money market above, several studies state that, (Hasibuan, 2016) business is facilitated by the financial market which causes foreign exchange trading and capital flows to run smoothly between countries or companies. Without financial markets, money borrowers (creditors) will find it difficult to find debtors who are willing to lend money to them.

(Muchtar & Najma, 2019) in their research stated that the money market is a meeting place between parties who have a surplus of funds and those who experience a deficit of funds, where the funds are short-term, namely funds with a maturity of less than one year.

(Hakim, 2014) mention in the banking sector, the money market is a means of inter-bank transactions that lack or have excess liquidity. In the money market, its application is still using interest as a means of seeking profit. However, currently there is a money market based on sharia principles, and has obtained the legality of the National Sharia Council (DSN) fatwa No. 37 concerning the interbank money market with its sharia principles as a solution for both parties. However, this fatwa still needs to be reviewed and re-evaluated to see if the fatwa really covers all the problems that occur in the interbank money market.

Research by (Yuliani & Mawi, 2017) states that the principles that must be adhered to by the Management of the Islamic Interbank Money Market (PUAS) in Indonesia are that the financial market mechanism must comply with sharia and financial instruments must also comply with sharia, namely the need to trade money market securities based on bai ad-dayn; inter-bank placements must be carried out under the Mudharabah scheme; there is an inter-Islamic bank clearing which will be followed by Islamic banks and conventional Islamic bank branches; and securitization of Islamic securities, then sold as bonds in the secondary market under the Mudharabah scheme. The results of his research stated that The interbank Islamic money market in Indonesia has been recognized by the government with the issuance of Bank Indonesia Regulation on March 31, 2008 Number 10/11/PBI concerning Bank Indonesia Sharia Certificates (SBIS).

Based on this description, the formulation of the problem in this study is:

- a. What is the Islamic view of the Money Market?
- b. How Sharia Money Market Operates?

Objectives and Methods

The specific objectives of this research are:

- a. To analyze the Islamic view of the Money Market.
- b. To know the development of Islamic money market operations operasi

The method used to answer the problem in this research is to analyze the literature study of 20 journals consisting of 10 national journals and 10 international journals

Argument

The main task of bank management, including Islamic banks, is to maximize profits, minimize risk and ensure the availability of sufficient liquidity. Management cannot arbitrarily attract customers to

deposit their funds in the bank, without the belief that the funds can be invested profitably and can be returned when the funds are withdrawn by the customer at any time, or the funds are due. In addition, management must simultaneously consider various risks that will affect changes in the level of profit earned. Without Money Market facilities, banks will face the same problem, considering that in general it is difficult for banks to avoid mismatched financial positions. To utilize these funds, banks must be able to make short-term investments in the Money Market; and vice versa.

2. LITERATURE REVIEW

Literature review of 20 national and international journals found that: (Hasibuan, 2016) stated in his research on the Islamic Money Market in the Success of the AEC, the targets to be achieved in the Islamic Money Market activities in the success of the AEC where the money market is a target for smooth business and business growth in the MEA free market program. The Islamic money market is a facility for Islamic banking and financial institutions.

(Muchtar & Najma, 2019) The money market in the Islamic perspective is only allowed on the money market that does not use the interest system and can be replaced with alternative contracts such as mudharabah, musyarakah, al-qard, wadiah, and al-sharf and eliminates the elements of gharar and maysir contained inside.

(Nurmaida, 2018) states that there is a one-way causality relationship between inflation and Islamic Interbank Money Market transactions (PUAS) and returns on Bank Indonesia Syariah Certificates (SBIS), there is a one-way causality relationship between Islamic investments and Islamic Interbank Money Market transactions (PUAS) and there is no pattern of causality between the yield of Bank Indonesia Syariah Certificates (SBIS) and Islamic Interbank Money Market (PUAS) transactions and sharia investments in Indonesia for the period 2012-2017.

(Hakim, 2014) mention In the banking sector, the money market is a means of inter-bank transactions that lack or have excess liquidity. In the money market, its application is still using interest as a means of seeking profit.

(Yuliani & Mawi, 2017) The principle that must be adhered to by Sharia Interbank Money Market Management (Puas) in Indonesia is that the financial

market mechanism must comply with sharia and financial instruments must also comply with sharia.

(Yanti, 2018) The results of the study show that the variables of SBI, SBIS, Inflation and Exchange Rates affect the Islamic Interbank Money Market. In the short term or early period of observation, SBIS has the most dominant influence on the Islamic Interbank Money Market. Meanwhile, in the long term or at the end of the observation period, inflation has the most dominant influence on the Islamic Interbank Money Market.

(Rachman & Herianingrum, 2018) The results showed that the variable Bank Indonesia Certificate (SBI) had a significant positive correlation in the long term and had a contribution of 10.1%. The Interbank Money Market (PUAB) variable shows a significant long-term contribution by 4.68%. Furthermore, for sharia instruments, Bank Indonesia Syariah Certificates (SBIS) are significant in the long term with a contribution of 1.01%, while the Islamic Interbank Money Market (PUAS) is significant in the long term with a contribution of 25.27%. (Bhaswarendra Guntur Hendratri, 2017) Islamic banking can overcome or manage its liquidity in an Islamic way, both in forms and other types of investment, which of course does not violate Islamic sharia. The key used by banks in managing their liquidity is the availability of primary and secondary reserves. In fulfilling secondary reserves, banks can invest idle funds in the Money Market. The Islamic interbank money market is able to support the smooth running of Islamic banking in using the Islamic interbank money market as a means to regulate and manage liquidity.

(Harun, 2017) The results of the study found that the muamalah contracts used in the Islamic capital and money market are Mudharabah, Musyarakah, Qardh, Wadi'ah, Wakalah, Bay' (buying and selling).

(Farid, 2015) Sharia mutual funds are an alternative investment that only places funds in debtors who do not violate shariah limits, both in the company's fundamentals and operations, according to the fatwa of the Indonesian Ulema Council. Investment activities with an Islamic spirit, especially sharia mutual funds, will be attractive, especially because they provide confidence that investment activities are also a form of muamalah (civil) activity in Islam. Shari'ah mutual funds can be used as an alternative for Indonesian people, who are predominantly Muslim, to participate in capital

market activities in a lawful way, in accordance with religious shari'ah. Given this, Indonesia is clearly a potential market for the growth of sharia-compliant investments.

(Urbanus Uma Leu, 2016) The results of the analysis show that when money functions as value and quality in inter-bank transaction activities, both Islamic banks and Islamic banks with conventional banks will open up great opportunities for speculation in transactions, especially transactions in the short term because it has the effect of aborting participants who are slow to take action. transaction decisions or loss of business opportunities due to insufficient capital when changes in currency exchange rates occur which are difficult to predict when and the amount of changes.

(Oubdi & Elouali, 2016). Stating that there are researchers who insist on managing excess liquidity while others prefer to point out the difficulties in managing so-called liquidity in Istanbul. Yet they all center on the idea of establishing an adequate structure for Islamic financial markets and the use of financial instruments for optimal liquidity management.

(Pardiansyah, 2017) Investment is a commitment to hold a certain amount of funds with the aim of obtaining a number of benefits in the future. However, there are individuals who use investment as a tool to raise funds from the public with products and business activities that are not in accordance with sharia. The principle of sharia investment is that all forms of muamalah may be carried out until there is a proposition that prohibits it, namely if prohibited activities are found in a business activity, both objects (products) and business activity processes that contain elements of haram, *gharār*, *maysīr*, *ribā*, *tadlīs*, *talaqqī al-rukban*, *ghabn*, *ḍarar*, *rishwah*, *immoral* and *ẓulm*.

(Wahyudi & Anwar, 2014) The results of his research show that the exchange rate and the VIX index have a significant effect on the Islamic capital market index. In contrast, only the VIX index was found to significantly affect SBIS. With the multivariate method, the Islamic capital market index has more content information (exchange rate, world oil prices, China's economic growth, and the VIX index) than the SBIS (SBI rate, inflation rate, and VIX index). The Islamic capital market index is more suitable to be used as a barometer of fiscal policy in Indonesia, while the SBIS is suitable for monetary policy.

(Olayemi et al., 2015) Short-term investment instruments are generally required to provide liquidity facilities for banks and other financial institutions to manage discrepancies in their liquidity portfolios. The same is true for companies that may need money to pay their employees' salaries or to meet other unexpected expense mismatches. The government also demands liquidity facilities as well as to meet its liquidity needs for infrastructure development and concurrent spending. Financial market facilities are available to bridge this gap. The maturity period of the facility ranges from one night to one year.

(Muttalib, 2012) stated that to overcome the potential liquidity risk due to cash flow mismatch requires an efficient and dynamic Islamic money market because it is an important and integral part of the Islamic financial system. Therefore, it raises the need to develop a sharia money market where Islamic money market instruments must be traded and operated based on sharia. Successful liquidity risk management needs to ensure that Islamic financial markets function properly.

(Saiti et al., 2016) mentioned that the availability of various inter-Islamic money market instruments allows Islamic banks to cover their exposure (in case of a deficit) and make short-term placements (in case of a surplus). Going forward, a greater variety of instruments with fixed return mechanisms and tradable features, which at the same time invites fewer Shariah issues, should be offered in the market to ensure a more dynamic Islamic interbank money market.

(Alamsyah, Janoearto and Masih, 2021) shows that there is an influence of Islamic money market activities on operational indicators of Islamic banks in Indonesia, which implies that the early development of Islamic money markets is on the right track in facilitating liquidity management of banks in Indonesia. In addition, the development of the Islamic money market and capital market in the future is very important to improve liquidity management of Islamic banks in Indonesia.

(Uddin & Uddin, 2016) stated from the experience of the global situation, the Bangladesh financial market has been discovered at a new stage. Several recommendations and proposals have been proposed to develop and formulate a dynamic, strong, healthy and sustainable Islamic money market for effective competition. Currently, Bangladesh Bank bills due in ninety one days and thirty days, treasury

bills, certificates of deposit, short term loans from banking sector are available in the money market. In fiscal year 2003, introducing a secondary market for government securities was a major issue in the history of financial markets in Bangladesh. The repo and reserve repo and primary dealer systems facilitate the development of the money market.

(Arman, 2013) Bank of Bangladesh modified the existing “Sharia Investment Bonds Regulation-2004”. They want to create a new avenue for trading Islamic bonds in the near future through changes to its rules. Sharia bonds will be converted into instruments that can be auctioned among Islamic banks to help manage their liquidity in accordance with Islamic Sharia. This move is considered a pragmatic step because, Islamic finance and banking is growing massively in the Bangladeshi economy and from the speeches of specialists in this arena, this financial sector will dominate the world economy in the future. This step was taken as the continued support of the central bank towards the establishment of Islamic finance on Bangladeshi soil.

(Bidabad et al., 2011) stated that because conventional bonds include interest (riba) and are therefore not sharia-compliant which are legally prohibited from being used by monetary authorities under an Islamic economy, interest-free bonds offer a substitute for conventional bonds so that apart from being interest free, they can also efficiently influence monetary expansion, and allow financial and liquidity management for the monetary and banking sectors of the economy.

Focus of the Study

The money market has become a target for smooth business and for business development. As with most other markets, the financial market from our perspective is made up of supply and demand. What is meant by the money supply here is the amount of money circulating in the community, which consists of currency and demand deposits. Meanwhile, what is meant by the demand for money, on the other hand, is the people's need for cash. Therefore, credit that is traded for less than one year is called short-term credit. There are quite a variety of instruments or securities traded in the money market in Indonesia, including securities issued by state-owned enterprises and government institutions. However, the maturity period of the instrument is generally short. This money market is dynamic due to innovations in the financial sector that do not stop.

This activity in the money market occurs because there are two parties, the first party is short-term in nature, the second party has excess funds in the short term as well. They are brought together in the money market, so that the units that lack get the needed funds, while the units that have excess earn income on the excess money. According to experts, the money market is an abstract meeting place where owners of short-term funds can offer to potential users who need them, either directly or through intermediaries. Meanwhile, short-term funds are funds collected from companies and individuals with a time limit of one day to one year, which can be traded in the money market.

3. RESEARCH METHODS

Types of research

The type of research used is a literature study method to determine the Islamic View of the Money Market and Sharia Money Market Operations. Literature study is a comprehensive summary of previous research by reviewing journals relevant to the research.

Data source

This study uses secondary data for the period 2011-2021 which has been published as a scientific journal both nationally and internationally related to Islamic View of Money Market and Sharia Money Market Operation. These journals can be obtained or accessed online from journals that have been published through Google or Google Scholar.

The methodology used in this study is a qualitative method approach with descriptive statistics, literature studies on 20 national and international journals and research on Islamic View of Money Markets and Sharia Money Market Operations. Qualitative research methods are research methods based on the philosophy of postpositivism used to examine the condition of natural objects, (as opposed to experiments) where the researcher is the key instrument, data collection techniques are carried out by triangulation (combined), data analysis is inductive/qualitative, and the results of qualitative research emphasize meaning rather than generalizations. (Sugiyono, 2013).

Research Context

The context in this literature study is to find out the Islamic view of the money market and how the Islamic money market operates. This literature study was conducted on 20 national and international journals.

Research Design

Quantitative research can be defined as a research method based on the philosophy of positivism, used to examine certain populations or samples, data collection using research instruments, quantitative/statistical data analysis, with the aim of testing predetermined hypotheses. (Sugiyono, 2013)

Qualitative research is descriptive. The data analyzed did not accept or reject the hypothesis (if any). The results of the analysis are in the form of a description of the observed symptoms and do not have to be in the form of numbers or coefficients between variables (Subana dan Sudrajat: 2005). This research is processed using Ms. Excel.

Descriptive statistics is a field of statistical science that studies the methods of collecting, compiling and presenting a summary of research data. These data must be summarized properly and regularly, either in the form of tables or graphical presentations, as a basis for various decision making (Wijaya: 2013).

Population and Sample

This literature study was conducted on 20 national and international journals according to the inclusion criteria in this study, namely:

- a. Journals published in the year 2011-2021
- b. Indonesian and English journals

Data retrieval

The data collection method is carried out by collecting all literature data relevant to the topic or problem discussed. The topic discussed is the Islamic view of the money market and how the Islamic money market has operated for the last 10 years, starting from 2011 to 2021.

Data analysis

The data obtained is then processed by describing the research variables, namely the Islamic view of the money market and how the Islamic money market operates, which has been obtained from various journal sources in accordance with the inclusion and exclusion criteria by describing it into a paragraph containing an explanation of the data obtained.

4. RESULTS

Study Characteristics

Characteristics of literature studies that meet research criteria that are traced with keywords that have been determined through Google Scholar with a period of 2011 to 2021 as many as 20 published journals, both national and international journals

related to Islamic View of Money Markets and How Sharia Money Market Operation from the observations of the last 10 years used as samples in this study are as follows:

Number of Journal Publications per Year

The distribution of journals per year shows the number of published journals varies from 2011 to 2021. The journal publications are related to Islamic View of Money Markets and How Sharia Money Markets Operate The most in 2016 were 5 journals (25%), followed by journals in 2017 and 2018 with 3 journals each (15%). While the publication of the fewest journal years compared to other years, namely 2011, 2012, 2013, 2019 and 2021, each had 1 journal (5%). This can be explained in the table below:

Table 1

Total of Publications per Year

Year of Journal	Total	Percentage (%)
2011	1	5%
2012	1	5%
2013	1	5%
2014	2	10%
2015	2	10%
2016	5	25%
2017	3	15%
2018	3	15%
2019	1	5%
2021	1	5%
Total	20	100%

From table 1 the number of publications per year shows that of the 20 published journals, both national and international journals, the most journals in 2016 were 5 journals (25%) (Hasibuan, 2016), (Urbanus Uma Leu, 2016), (Oubdi & Elouali, 2016), (Saiti et al., 2016), and (Uddin & Uddin, 2016), followed by the 2017 journal {(Yuliani & Mawi, 2017), (Harun, 2017), dan (Yuliani & Mawi, 2017)} and 2018 {(Nurmaida, 2018), (Yanti, 2018) dan (Rachman & Herianingrum, 2018)} each 3 journals (15%), then 2014 journals 2014 {(Hakim, 2014), (Wahyudi & Anwar, 2014)} and 2015 {(Wahyudi & Anwar, 2014) dan (Olayemi et al., 2015)} each there are 2 journals and at least one journal in 2011, 2012, 2013, 2019 and 2021 each has 1 journal (5%) namely (Bidabad et al., 2011), (Muttalib, 2012), (Arman, 2013), (Muchtar & Najma, 2019) and (Alamsyah, Janoearto and Masih, 2021). This can be seen in the following figure:

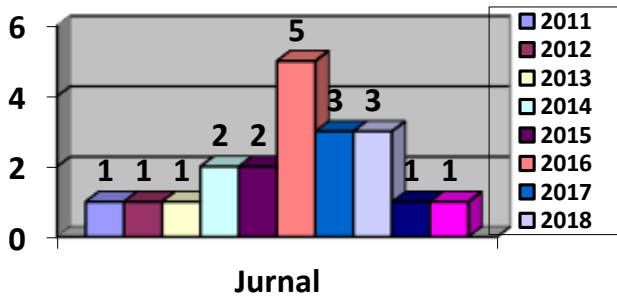


Figure 1. Graph of the number of articles themed on the Islamic view of the money market and how the Islamic money market operates per year

Types of Research from Each Publication

This study further indicates the type (type) of research used for each journal publication observed. According to Sekaran (2013), in general there are four

types of research, namely analytical, descriptive, empirical, and exploratory research. In this observation, only two types of research are used, namely descriptive and quantitative. First, descriptive research tries to define, describe, or identify a particular thing. Descriptive research uses description, classification, measurement, and comparison to describe a phenomenon, and both quantitative research. Quantitative research can be defined as a research method based on the philosophy of positivism, used to examine certain populations or samples, collect data using research instruments.(Sugiyono, 2013). Based on 20 published journals both nationally and internationally, the types of research from journals can be seen in the following table:

Table 2

Types of Research from Each Publication

Year of Publication	Types of research		Number of Journal
	Descriptive	Quantitative	
2011	(Bidabad et al., 2011)		1
2012	(Muttalib, 2012)		1
2013	(Arman, 2013)		1
2014	(Hakim, 2014)	(Wahyudi & Anwar, 2014)	2
2015	1. (Farid, 2015) 2. (Olayemi et al., 2015)		2
2016	1. (Hasibuan, 2016) 2. (Urbanus Uma Leu, 2016) 3. (Oubdi & Elouali, 2016) 4. (Saiti et al., 2016) 5. (Uddin & Uddin, 2016)		5
2017	1. (Yuliani & Mawi, 2017) 2. (Harun, 2017) 3. (Pardiansyah, 2017)		3
2018		1. (Nurmaida, 2018) 2. (Yanti, 2018) 3. (Rachman & Herianingrum, 2018)	3
2019	(Muchtar & Najma, 2019)		1
2021		(Alamsyah, Janoearto and Masih, 2021)	1
Total			20

Areas of Study and Publication

The results of this study also show a list of the most publications based on geographic location (country). This table is divided into 2 parts, namely the study location of the 20 selected journal publications

and the publication area of the journal. In the first part, regarding the location or study area of the journal.

The study areas are classified by country, as follows:

Table 3
Place of Journal Publication

Country	Number of Published Articles	Author
Indonesia	12	(Hasibuan, 2016), (Muchtar & Najma, 2019), (Nurmaida, 2018), (Hakim, 2014), (Yuliani & Mawi, 2017), (Yanti, 2018), (Rachman & Herianingrum, 2018), (Harun, 2017), (Farid, 2015), (Urbanus Uma Leu, 2016), (Pardiansyah, 2017), (Wahyudi & Anwar, 2014)
Malaysia	4	(Olayemi et al., 2015), (Muttalib, 2012), (Saiti et al., 2016), Malaysia (deskriptif), (Alamsyah, Janoearto and Masih, 2021)
Istanbul	1	(Oubdi & Elouali, 2016)
Bangladesh	1	(Uddin & Uddin, 2016)
Kuwait	1	(Arman, 2013)
Iran	1	(Bidabad et al., 2011)
Total	20	

From table 3 it can be seen that the majority of journals from Indonesia as many as 12 journals {(Hasibuan, 2016), (Muchtar & Najma, 2019), (Nurmaida, 2018), (Hakim, 2014), (Yuliani & Mawi, 2017), (Yanti, 2018), (Rachman & Herianingrum, 2018), (Harun, 2017), (Farid, 2015), (Urbanus Uma Leu, 2016), (Pardiansyah, 2017), (Wahyudi & Anwar, 2014)} followed by journals from Malaysia as many

as 4 journals {(Olayemi et al., 2015), (Muttalib, 2012), (Saiti et al., 2016), Malaysia (deskriptif), (Alamsyah, Janoearto and Masih, 2021)} and at least a journal from Istanbul (Oubdi & Elouali, 2016), Bangladesh (Uddin & Uddin, 2016), Kuwait (Arman, 2013) dan Iran (Bidabad et al., 2011) each only 1 journal.

List of publications by publisher, each publisher consists of 1 journal. This can be seen in table 4 below.

Table 4
List of Publications by Publisher

Researcher Name	Publisher	Number of Published Articles
(Hasibuan, 2016)	At-Tijarah	1
(Muchtar & Najma, 2019)	Asy-Syukriyyah	1
(Nurmaida, 2018)	Ekonomi Dan Bisnis Islam Syariah (J-EBIS)	1
(Hakim, 2014)	Jurnal Khatulistiwa - Journal Of Islamic Studies	1
(Yuliani & Mawi, 2017)	CAM: Change Agent For Management Journal	1
(Yanti, 2018)	At-Tawassuth	1
(Rachman & Herianingrum, 2018)	Ekonomi Syariah Teori dan Terapan	1
(Harun, 2017)	SUHUF	1
(Farid, 2015)	Iqtishoduna	1
(Urbanus Uma Leu, 2016)	LAA MAISYIR	1
(Oubdi, 2016)□	ICPESS 2016-Istanbul	1
(Pardiansyah, 2017)	Economica	1
(Wahyudi & Anwar, 2014)	Borsa istanbul Review	1
(Olayemi et al., 2015)	Shariah Reports	1
(Muttalib, 2012)	Islam And Civilisational Renewal	1
(Saiti et al., 2016)□	Institute of Islamic Banking and Finance	1
(Alamsyah, Janoearto and Masih, 2021)□	Munich Personal RePEc Archive (MPRA)	1
(Uddin & Uddin, 2016)□	International Islamic University Chittagong (IIUC), Business Review	1
(Arman, 2013)□	Kuwait Chapter of Arabian Journal of Business and Management Review	1
(Bidabad et al., 2011)□	International Journal of Economics and Finance	1
Total		20

Journal Subject Islamic View of Money Market and How Sharia Money Market Operates

The results of this study indicate that there are a number of discussion subjects for each journal related to the Islamic View of the Money Market and How Sharia Money Market Operations are based on journal publications during 2011 to 2021. In observations from the 2011-2021 journal publications selected in the observation, the subject of discussion related to

journals The Islamic view of the money market and how the Islamic money market operates is mostly about the money market concept with 7 journals (35%) from 20 sample journals, followed by the subject of Islamic money market and interbank Islamic money market with 6 journals each (30 %), and at least the subject of investment then there is 1 journal (5%). This can be seen in the following table.

Table 5.

Journal Discussion Subject Islamic View of Money Market and How Sharia Money Market Operates

Subject	Publication Year										Total
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2021	
Money market				√√√		√√	√√				7
Islamic money market	√				√√	√√√		√			6
Islamic interbank money market		√	√			√		√√	√		6
Investation							√				1
Total	1	1	1	3	2	5	3	3	1		20

Discussions

Analytical Results Summary

This study shows that pAsar money in the Islamic perspective is only allowed on the money market that does not use the interest system and can be replaced with alternative contracts such as mudharabah, musyarakah, al-qard, wadiah, and al-sharf and eliminates the elements of gharar and maysir contained inside (Muchtar & Najma, 2019) and (Harun, 2017). The principle of sharia investment is that all forms of muamalah may be carried out until there is a proposition that prohibits it, namely if prohibited activities are found in a business activity, both objects (products) and business activity processes that contain elements of haram, *gharār*, *maysīr*, *ribā*, *tadlīs*, *talaqqī al-rukban*, *ghabn*, *ḍarar*, *rishwah*, *immoral and zulm*. (Pardiansyah, 2017)

Islamic banking can overcome or manage its liquidity in an Islamic way, either other forms and types of investments, which of course do not violate Islamic sharia. The key used by banks in managing their liquidity is the availability of primary and secondary reserves. In fulfilling secondary reserves, banks can invest idle funds in the Money Market. The Islamic interbank money market is able to support the smooth running of Islamic banking in using the Islamic interbank money market as a means to regulate and manage liquidity. (Bhaswarendra Guntur Hendratri, 2017) Investment activities with an Islamic spirit, especially sharia mutual funds, will be attractive, especially because they provide confidence

that investment activities are also a form of muamalah (civil) activity in Islam. Shari'ah mutual funds can be used as an alternative for Indonesian people, who are predominantly Muslim, to participate in capital market activities in a lawful way, in accordance with religious shari'ah. Given this, Indonesia is clearly a potential market for the growth of sharia-compliant investments (Farid, 2015).

The availability of various inter-Islamic money market instruments allows Islamic banks to cover their exposure (in case of a deficit) and make short-term placements (in case of a surplus) (Saiti et al., 2016). The early development of the Islamic money market has been on the right track in facilitating the liquidity management of banks in Indonesia (Alamsyah, Janoearto and Masih, 2021).

From the global situation the financial market in Bangladesh has found a new stage. Several recommendations and proposals have been proposed to develop and formulate a dynamic, strong, healthy and sustainable Islamic money market for effective competition. Currently, Bangladesh Bank bills due in ninety one days, thirty days, treasury bills, certificates of deposit, short term loans from banking sector are available in the money market. In fiscal year 2003, introducing a secondary market for government securities was a major issue in the history of financial markets in Bangladesh. The repo and reserve repo and primary dealer systems facilitate the development of the money market. (Uddin & Uddin, 2016)

Bangladesh modified the existing “Sharia Investment Bonds Regulation-2004”. They want to create a new avenue for trading Islamic bonds in the near future through changes to its rules. Sharia bonds will be converted into instruments that can be auctioned among Islamic banks to help manage their liquidity in accordance with Islamic Sharia. This move is considered a pragmatic step because, Islamic finance and banking is growing massively in the Bangladeshi economy and from the speeches of specialists in this arena (Arman, 2013)

Conventional bonds include interest (riba) and are therefore not subject to sharia which is legally prohibited for use by monetary authorities under Islamic economics. Without interest, bonds offer a substitute for conventional bonds so that apart from being interest free, they can also efficiently influence monetary expansion, and enable financial and liquidity management for the monetary and banking sectors of the economy. (Bidabad et al., 2011).

5. CONCLUSION

The money market in the Islamic perspective is only allowed on the money market that does not use the interest system. Based on the literature review, it can be concluded that there is an influence of Islamic money market activities on operational indicators of Islamic banks in Indonesia, which implies that the early development of Islamic money markets is on the right track in facilitating liquidity management of banks in Indonesia.

This study also shows that there are many opportunities to grow and outpace money market activities through Islamic money market operations. An imbalance occurs when money functions as value and quality in interbank transactions, both among Islamic banks and between Islamic banks and conventional banks, which will open up great opportunities for speculation in transactions, especially transactions in the short term.

The concept or method in this study has been able to explain that the Islamic finance sector will dominate the world economy in the future. This step was taken as a continuous support from the central bank towards the establishment of Islamic finance as mentioned by Arman (2013) in a study conducted in Bangladesh that Islamic bonds will be converted into auctionable instruments among Islamic banks to help manage their liquidity according to Islamic Sharia.

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