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AN INVESTIGATION OF IRAN'S BANKING SYSTEM: CHALLENGES AND REMEDIES*

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Abstract

Iran is one of the two countries that have full-fledged Islamic banking in their banking systems. Although there are many criticisms about the operation of the Islamic system in Iran, this country has the greatest proportion of Islamic banking assets in the global Islamic financial system. Islamic banking in Iran, as one of the milestones of the reorganization of Iranian society after the Iranian Revolution, continues its operation by the contracts which take their roots from the economic and social factors. The banking system in Iran contains commercial state banks, specialized state banks, qard al-hassan banks, and private banks. In addition to contributing to economic development by supporting economic activities, the banking system also supports the strategies of income distribution equality. Some portion of the banking sources in Iran is used to support individuals who are below adequate income level. In this study, the performance of the Islamic banking system in Iran will be analyzed. The study consists of three parts. In the first part, the historical development of Islamic finance and Islamic banking and in the second part, the current situation of the Iranian banking sector will be discussed. In the last part, challenges related to the local economic problems as well as the sanctions initiated by the US, other countries, and organizations will be explained. Besides, some policy recommendations to improve the performance of Islamic banking in Iran will be put forth.

Keywords: Islamic Economy, Iran, Islamic Banking, Islamic finance.

* This study is the extended version of the paper with the title *"An Evaluation of Islamic Banking in Iran"* presented in the International Congress of Islamic Economy, Finance and Ethics (ISEFE) which was held on 3-4 November 2018 in Istanbul.

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İRAN BANKACILIK SİSTEMİ ÜZERİNE BİR ARAŞTIRMA: SORUNLAR VE ÇÖZÜM ÖNERİLERİ

İran, Sudan ile birlikte bankacılık sistemi tamamen İslami prensiplere dayanan dünyadaki iki ülkeden birisidir. Ülkede uygulanmakta olan İslami bankacılık sistemi konusunda çok farklı eleştiriler yapılsa da İran, küresel ölçekte en yüksek İslami finansal varlıklara sahip ülkelerden birisi durumundadır. Esasen İran bankacılık sistemi, sadece bankacılık hizmetleri vermekle kalmayıp, İran toplumunun İran Devrimi sonrası dönemde yeniden yapılandırılması için kullanılan önemli bir kilometre taşıdır. İran Devrimi ile birlikte birçok alanda olduğu gibi bankacılık alanında da yapısal dönüşüm süreci başlamıştır. Bankacılık sektörünün yeni döneme adapte edilmesi için finansal sistem, tedricen ülkenin İslam anlayışına uygun hale getirilmeye çalışılmıştır. Bu çerçevede sistemin millileştirilmesi yönündeki girişimler yasal düzenlemeler ile desteklenmiştir. İlerleyen dönemlerde sosyal ve ekonomik hedeflere ulaşmak için geliştirilen stratejilerin hayata geçirilmesinde bankalara önemli sorumluluklar yüklenmiştir…

[Geniş özet, çalışmanın sonunda yer almaktadır.]

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Introduction

At the beginning of the 20th century, Muslim scholars such as Mohammad Nejatallah Siddiqi from India, Seyid Qutb from Egypt, and Morteza Mutahari from Iran explained the theoretical background of Islamic finance and Islamic banking. However, the Muslim world had to wait until the second half of the 20th century to initiate Islamic banking operations. The first Islamic bank started operation in Jeddah in Saudi Arabia in 1975. The other Muslim countries followed this country (Nili, 2014:175).

Like the other Muslim countries, Iran followed Saudi Arabia and initiated the Islamization of the banking system with the Iranian revolution in 1979. Khan and Mirakhor (1990:358-359) define the improvement of Islamic finance in Iran in three phases: In the first phase, the whole banking system was nationalized to eliminate the weaknesses of the inherited system. Many restructuring reforms and reorganizations were observed in the banking system of Iran in this phase. In this period, the structural transformation process started in the banking sector as in many other fields. To adapt the conventional banking system to the new ideology, the government tried to adapt the banking system to the Islamic perspective. However, both internal and external parties tried to prevent the development of a coherent plan for the Islamization of the banking system.

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Between 1982 and 1986, the second phase prevailed. In this phase, legislative and administrative changes were initiated. The law of Riba-Free banking was accepted in 1983. In the third phase which started in 1986, the role of the banking system was defined again and the banking system became an integral part of the Islamic government.

Pourian (1995:85-86) explains the foundation of the Islamic banking system in Iran in a similar way with the following principles:

- Establishing the Islamic values in the banking system
- Eliminating usury and riba: To reach this goal, qard al-hassan is a good alternative to have interest-free deposits and loans
- Establishing profits in banking operations
- Signing credit facilities in accordance with the Shariah laws
- Initiating new monetary policy in accordance with the Shariah
- Having economic independence, self-sufficiency, and social justice

After the privatization period, today, in the Iran banking system, private banks operate as well as public banks. The banking system contains commercial state banks, specialized state banks, qard al-hassan banks, and private banks. In addition to contributing to economic development by supporting economic activities, the banking system also supports the strategies of income distribution equality. Some portion of the banking sources in Iran is used to support individuals who are below adequate income level (ILIA, 2016:11).

In the Iranian banking system, Islamic contracts are used which are based on profit and loss sharing. Those contracts can be classified as fee-based and free stuff contracts (free service contracts). Accordingly, musharaka, mudharabah, mozara'ah and mosaqat, which include private and official partnerships, are some of the profit and loss partnership contracts. Jo'alah and sales on credit practices are fee-based contracts. Free stuff contracts are based on a single principle whose profits are expressed as qard al-hassan by all banks. With these contracts, the lender provides a certain amount of money to the borrower. The borrower returns the same amount of money after a certain period (Hosseini, Khaledi, and Gray, 2009: 293).

In this study, the performance of the Islamic banking system in Iran will be examined. The study consists of two parts. In the first part, the historical development of Islamic finance and Islamic banking and the current situation of the banking sector will be discussed. In the last part, challenges related to the local economic problems as well as the sanctions

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initiated by the US, other countries, and organizations will be explained. Besides, some policy recommendations to improve the performance of Islamic banking in Iran will be put forth. It is a fact that it is not easy to make precise evaluations about the performance of the banking sector due to the difficulty in accessing the data regarding the financial system in this country. However, numerous qualified studies on the Iranian financial system and banking structure, as well as reports from national and international institutions and organizations provided adequate data to analyze the Iranian banking system.

A. Historical Background of Islamic Banking in Iran

Banking history in Iran dates back to 600 BCE. In the 7th century BCE Persian dynasty, the Achaemenids established institutions similar to today's banking model. Egibi family and Murashu families founded the first private banks as the pioneers in this sector. The Egibi family opened headquarters in Jerusalem, Ecbatana, Pasargadae, Babylonia, and Sardis. They initiated mortgages, deposits, and loans. Customers had the right to have a checkbook and they invested in property, fishing, cattle, farms, and ships. In this period, the banks were responsible for collecting taxes and fees for the government. These operations became even more common in the 3rd to 7th centuries CE since people started to use gold and silver coins as money. Comparing with the ancient periods, modern banking in Iran initiated in 1856. Bank Esteqrazi was established this year by Jacquet Polyakov. Bank Esteqrazi continued its operations as Bank of Iran until 1933. In 1887, London-based New Oriental Bank opened its branches in Tehran and other big cities. Following this bank, Britain and Russia established the Imperial Bank of Persia in 1889 and the Russia Bank in 1891. The first Iranian bank Sepah Bank was established in 1925 with Iranian capital under the name of Bank Pahlavi Qoshun to follow the financial affairs of the army and served as its pension fund. Following Sepah Bank, Iran Mortgage was opened in 1926 and Melli Bank started operations in 1928. Although the Iranian Parliament approved the law allowing the establishment of Bank Melli, due to the financial problems that are related to 150 million rial capital, the establishment of the bank postponed to 1928. The bank was opened with a primary capital of 20 million rials, 40% of the total capital was provided by the government. Melli Bank also served as both a commercial bank and the central bank of Iran. In a short time, it became the government treasury and fulfilled the tasks of preserving the balance of payments, supervising banking activities, and regulating credits, enforcing monetary and financial policies, and printing banknotes. There were also some foreign banks such as French-English-Ottoman Bank

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and Iran-Russia Bank started operations to manage foreign trades. In 1930, the Central Bank of Iran was established to design the comprehensive monetary and banking law. The target was to control the volume of money and credit, preserve the value of the local currency, implement suitable monetary policies and supervise the banking system (Ashraf and Giashi, 2011:33; Nili, 2014:177-179).

The 1950-1972 period was mostly related to the institution-building process. Starting from 1951 through 1961, 21 new banks started operations. 17 of them were private, and 4 of them were state banks which were specialized in agricultural, housing, and industrial financing. However, state banks dominated in total assets. State banks provided subsidies to the related sectors with low or zero interest rates. the aim was to improve the targeted sectors and related projects. On the contrary, commercial banks provided short-term credit at higher interest rates. The Banking and Monetary Act of 1960 was revised in 1970 and the Central Bank was created as the executing agency of the Monetary and Credit Council. Starting in 1973, the macroeconomic environment changed because of the oil-price boom. Increasing oil revenues caused increasing government expenditures as well as increasing private deposits and bank lendings. In 1977, while development banks' long-term credit interest rate was 10%, the short-term rates of commercial banks were 14%. In the 1973-1977 period, there were both credit boom and low loan ratio which resulted in the Islamic Revolution in February 1979 (Seibel, 2004:5).

After the Iranian Islamic Revolution of 1979, some measures were taken to establish an Islamic country. Many laws and regulations were changed and harmonized with Shari'ah law. Hence, Shari'ah law became important for the banking sector as well (Hosseini, 2015:136). On 7 June 1979, the government nationalized all banking and insurance systems. Besides, 36 banks, 16 savings and loan associations merged and became 6 commercial and 3 specialized state-owned banks with more than 14.600 branches and 155.000 employees (Yasseri, 2002:155).

With these legal changes, the attempts to Islamize the banking system began. This process took place in three stages. The first phase covers the period 1979-1982. In the first stage, all banks were nationalized, restructured and the weaknesses of the system were tried to be eliminated. The merged banks were allowed to carry out their activities under the supervision and monitoring of the government. In 1980, foreign representative offices were closed. However, the establishment of some

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foreign bank offices was later allowed for limited activities, such as advising importers and Iranian banks. Despite these radical changes, internal and external developments were observed which would prevent the system from being completely Islamized. In the 1980s, the money and credit council administrated the interest rates and the Iranian monetary system. The basic property of interest rates was the mobilization of savings and the provision of funds for productive activities. In this period, the monetary authorities realized that low-interest rates are not the basic motivation of general savings. Therefore, the policymakers changed their policies towards encouraging deposits with long maturities (Gudarzi Farahani and Sadr, 2012:7). Besides, because of the Islamic Revolution, there was a deep wave of Islamic finance. The second phase covers the period 1982 - 1986. At this stage, in 1983, with the Law of Usury-Free Banking, which is for interest-free banking operations, banking operations were fundamentally changed from interest-based to interest-free services. With this law, it has been stated that interest-based banking transactions have been abolished in the financial system and it is planned that deposits in one year and all other banking transactions within three years would be consistent with Islamic banking law. According to the Islamic Banking Law, the objectives of the Islamic banking system are: i) to establish a monetary and credit system prior to ethics and justice; ii) to target economic growth and economic stability; iii) Encouraging to improve the relations between investors and depositors; iv) To protect the value of the local currency. The third phase began in 1986. In this period, the Islamic banking system was aimed to be an integral part of Iran Islamic state with its tools and policies. In the third stage, the banking sector was given a greater role as a result of the fall in oil prices and the cut-off of external resources due to political reasons. In the new period, the banking system was used as a basic tool in the restructuring process of the economy (Khan and Mirakhor, 1990: 358-359; Rajaei-Baghsiyaei, 2011: 239-240; Makiyan, 2003: 63). Qard al-hassan, mudharabah, legal partnership, civil partnership, muzara'ah, osaqaat, installment transactions, direct investment, forward deals, debt-purchase, and joa'lah were the models allowed by the Law of Usuary-Free Banking. Qard al-Hassan was provided to farmers and craftsmen as well as personal needs such as medical costs, house repairs, and educational aids. However, people were reluctant to make investment deposits. Gradually, the volume of investment deposits increased in the 1990-1991 period and reached 6.3 times more than the amount in the 1984-1985 period. Similarly, the volume of new facilities has risen by 15 times between 1985-1991 and reached to 11241 billion rials (Anwar,

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1992:1090-1093).

Between 2000-2010, a significant improvement in bank intermediation was observed. The licensing of private banks was effective in this increase. After the public commercial bank privatization in 2008-2009, private bank assets have become the largest in Iran Islamic banking industry. In this period, Iran's equity markets became very important channels of finance for real economic activities. Besides, mutual funds gained prominence which encouraged secondary market activities. And also, the seven largest private banks were listed on the stock exchange (IMF, 2011:2).

Due to the lobbies and the pressure of the industry, the Iran government permitted the establishment of private banks. Bank Eghtesad Novin (EN Bank) was the first bank to initiate its operations in 2001. This first private bank was owned by a group of construction and manufacturing companies such as Behshahr, Behpar, and Novin. With the establishment of the first private bank, the aim of the bank became providing modern and innovative banking services for its clients instead of form-filling a bureaucratic approach. EN Bank grew very fast and obtained a stock-market listing in 2004. Just in 4 years, in 2008 its assets exceeded $9.4 billion. In 2001, Parsain bank also established. Until 2010, Parsian Bank showed a rapid growth performance and reached $22 billion of total assets value. Iran also initiated the Fourth Five-Year Development Plan covering the period 2005-2010. According to the Development Plan, the allocation of banking facilities would be confirmed by the cabinet and provided cash subsidies accordingly. In this term, 25% of bank credits allocated to agriculture, 35% to manufacturing and mining, 20% construction and housing, and 8% to exports (Wilson, 2012:93, 96).

With all these efforts, banking penetration became higher and 75% of adults had bank accounts, either checking or saving, in 2013. In 2012, five of the Iran banks ranked in the "Top 1000 Banks in the World". The Tehran Stock Exchange was relatively large and market capitalization was $100 billion in 2012 (Jahan-Parvar, 2013:8).

However, Iran had to deal with the sanctions that were imposed by the US since the 1979 Iranian Revolution. In 1995, the US expanded the sanctions to include non-Iranian companies to prevent any company to have business with Iran. In 2006, the UN also initiated sanctions to prevent Iran's nuclear enrichment program. Travel bans on individuals, freezing offshore Iranian assets, and in 2012, disconnecting Iranian banks from SWIFT are some of the punitive sanctions. The last sanction cut Iran out of the global financial

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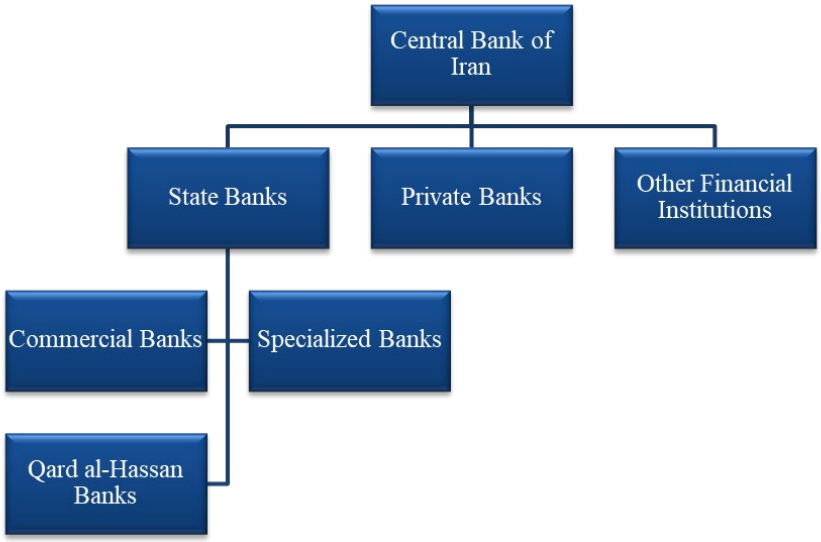
system. Right after the cut off from the global financial system, the rial lost its value, and inflation accelerated. In this period, and accessing capital became harder. Therefore, the Iranian government started to dictate the banks to which industries were to be funded. Because of the sanctions, Iranian banks' access to liquidity and profitability sustainability declined and non-performing loans increased. The sanctions continued until 2015 (ILIA, 2016:6). Although they were lifted in 2016, shortly after they were initiated again.

B. Structure of Banking Sector in Iran

As shown in Figure 1, the Iran banking system which plays an active role in the restructuring process of Iran is divided into two groups as state banks and private banks. All private banks are structured as commercial banks. Besides, there are three types of public banks as commercial banks, specialized banks, and qard al-hassan banks. Specialized banks operate in specialized fields such as housing or the agricultural sector. For example, Bank Keshavarzi only supports agricultural projects, while Bank Maskan only provides financial services and loans for housing (Parveen, Zadeh, and MuzakkirSyed, 2015: 63).

Figure 1: Hierarchical Structure of Iranian Banking Sector



Source: ILIA (2016:8)

In the Iran banking system, the Central Bank of Iran (CBI) is responsible for securing price stability and the overall stability of the banking system. Besides, the CBI also enforces prudential regulations of banks (Zahedi and Azadi, 2018:23).

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After the privatization, there are many private banks as well as state banks. The state and private banks operating in Iran banking system and the banks listed in Tehran Stock Exchange are shown in Table 1.

Table 1: Banks in the Iran Banking System

Financial/Credit Institutions	Tosee Credit Institute	
	Kosar Credit Institute	
	Askariye Credit Institute	
	Noor Credit Institute	
	Caspian Credit Institute	
Commercial State Banks*	Bank Sepah	
	Bank Melli	
	Post Bank	
Specialized State Banks**	Export Development Bank of Iran	
	Bank of Industry & Mine	
	Bank Keshavarzi	
	Bank Maskan	
	Cooperative Development Bank	
Qard-al Hassan***	Bank Qarzol-Hasaneh Mehr Iran	
	Qarzol-Hasaneh Resalat	
Private Banks	Bank Mellat	Saman
	Bank Pasargad	Sarmayeh
	Bank Saderat Iran	Ghavamin
	Bank Tejarat	Hekmat Iranian
	Bank Parsian	Middle East
	Eghtesad Novin	Iranzamin
	Sina	Tourism Bank
	Karafarin	Dey Bank
	Ansar	Refah Bank
	Ayandeh	Shahr-bank
Tehran Stock Exchange Listed Banks	Bank Mellat	Saman
	Bank Pasargad	Sarmayeh

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	Bank Saderat Iran	Ghavamin
	Bank Tejarat	Hekmat Iranian
	Bank Parsian	Middle East
	Eghtesad Novin	Iranzamin
	Sina	Tourism Bank
	Karafarin	Dey Bank
	Ansar	Mehr Eghtesad
	Ayandeh	Post bank

*Banks which can lend to both government and non-government customers in any sector

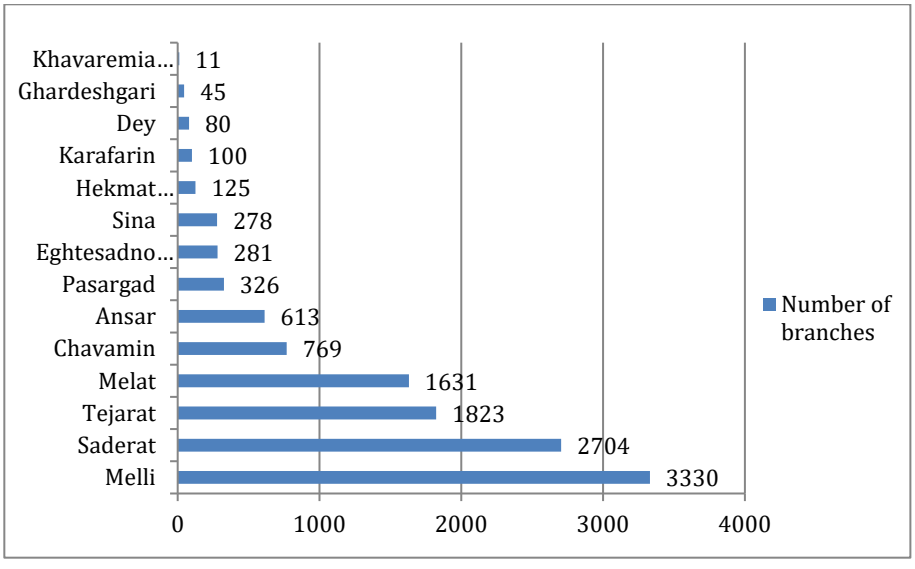
**Bank specializing in the financial specific economic sector

***Islamic non-profit, borrow and lend to customers at lower interest rates

Source: ILIA (2016:11)

Iranian banks carry out different transactions such as resource collection and resource allocation. Due to the high capital requirements of some big projects, banks sometimes provide physical investments in the market with their own subsidiaries. They also undertake certain tasks that are not common in other countries due to certain conditions specific to Iran. For example, the CBI was printing small amounts of money by restricting the printing of paper money to control high inflation. Until 2008, checkbank

Figure 2: Number of Branches of the Banks in Iran (2016)



Source: ILIA (2016:9)

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which was printed by the commercial banks was used for cash purchases. After 2008, the CBI launched a similar product called Irancheck (Karamelikli and Alizadeh, 2017:39).

Figure 2 illustrates the number of branches of the banks. According to Figure 2, Bank Melli (state bank) has the highest number of branches with 3330 branches. Bank Saderat (a private bank) follows Bank Melli with 2704 branches. Bank Tejarat and Bank Melat follow these banks with 1823 and 1631 branches respectively.

The number of Islamic banks in Iran reached 34 in 2018 from 31 in 2014. However, the number of branches decreased in this period. While it was 21.299 in 2014, this number decreased to 20.598 in 2018. Mobil banking and the number of ATMs increased, also. The number of ATMs was 36.400 and 59.519 in 2014 and 2018 respectively. Increasing mobile banking and ATM services affected the number of employees in this sector. Although the number of employees was 227.419 in 2014, this number declined to 222.397 in 2018 (IFSB, 2019).

According to the Law on Interest-Free Banking in Iran, three main tasks have been determined for the banking system in Iran. The first task is the duty of directing monetary sources to deposits. The second task is the allocation of financial resources (financial facilities). The third task is the duty of monetary policy practices. In the financial system where the traditional banking system is used, interest rates and open market transactions are the most commonly used basic monetary policy instruments. Based on these tasks, the Iranian Islamic financial system uses monetary policy tools consistent with Islamic principles instead of traditional monetary policy tools. Fixing the maximum and minimum profit rates of the bank share; designing different investment areas and partnerships and fixing expected minimum profit rates; tools such as fixing the minimum and maximum profit margin, and determining the types and amount of commissions are preferred as monetary policy instruments. In the Iran banking system, there are three types of accounts: Current Qard al-Hassan Account (Profit Interest Current Account), Qard al-Hassan Deposit Profit Account, and Term Investment Deposit Account. In these accounts, the bank, which is the representative of the deposit owner, tries to generate income by investing in profitable projects. In Term Deposit Account applications, to invest in the deposits, banks declare the part they guarantee as a payment of profit. If banks make more profits after depositing money, it is obligatory to pay the deposit owner over the actual profit rates. Besides,

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related to Islamic Shar'ah compliance, there are three types of contracts in the banking sector: i) Loan contracts: The only loan model in the Islamic banking system is qard al-hassan. ii) Partnership contracts: Such contracts operate according to profit and loss sharing. Partnership contracts include mudharabah, musharakha, mozaraah and mosaqat. iii) Exchange contracts. In these contracts, the profit is determined in advance. However, the profit is not considered as interest. After-sales sales, jo'alah, direct investment, debt - purchase, installment sales, and rental - purchase are among such contracts (Rajaei-Baghsiyaei, 2011: 240 -241; Anwar, 1992: 1090). Islamic banking products in Iran can be summarized as follows in Table 2.

Table 2: Islamic Banking Contract Models in Iran

Mudharabah (Mozarabah; profit-sharing)	Banks provide initial capital to the real sector for the individual or the company. With mudharabah contract, the expected profit rates are clearly defined and shared between the parties.
Musharakah	There are civil and legal partnerships in musharakah contracts. A civil partnership is a project-specific partnership for the short and medium periods. In this contract, both the bank and the clients provide capital for the business. The legal partnership, on the other hand, is a joint-venture for the long term. In this case, the bank provides the fund and gets a portion of the total equity of a newly established company, or purchases some part of an existing company.
Direct Investment	Banks can finance direct investments. However, according to law, the direct investment cannot be made in luxury commodities. The investment has to be related to the economic development of the country.
Murabahah	Banks can buy material, machinery, equipment, spare parts and related materials to satisfy the needs of industry, farming, mining other sectors. The price should include cost and profit. However, banks are forbidden to purchase these materials without the demand of a specific customer. There are different models of murabahah application in Iran such as murabahah security (sukuk) for liquidity, murabahah security (sukuk) for finance, companies murabahah security, and mortgage murabahah security (Zandi and Ariffin, 2012:6-10).
Salaf	Banks purchase goods from productive companies to provide the capital. Therefore, instead of lending money, the banks buy future products at the price which is agreed by both parties. The price can not exceed the market price of the product at the time of the contract.

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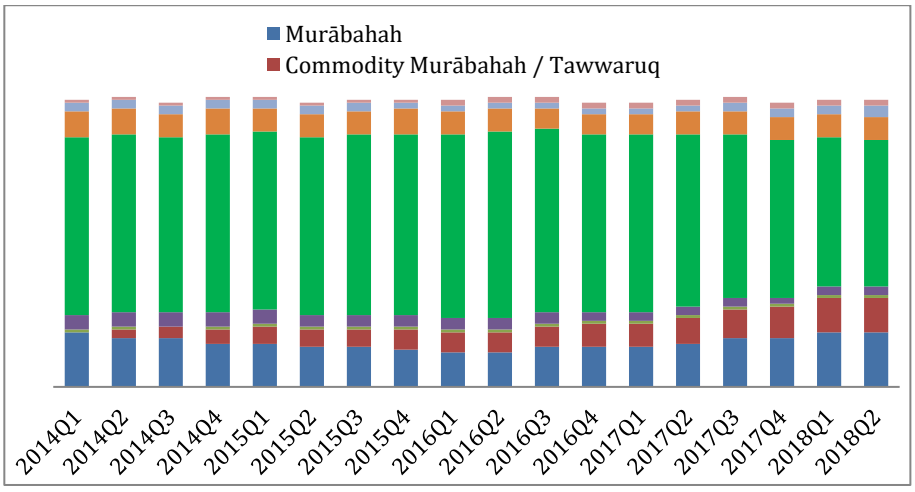
Ijara be shart-e-tamlik	The bank buys the real property or an asset needed by the company/individual, then leases the asset to them. The price of the asset is determined according to the cost-plus basis. At the end of the contract, the lessee can get ownership of the property.
Jo'alah	This is a short term facility that may be granted for the expansion of the production or commercial and service activities. The service charge is determined at the time of the contract.
Qard al-Hassan	One of the important features of the Iranian banking system is that in line with the socio-economic objectives set out in the constitution, some of its resources must be allocated to the practice of Qard al-Hassan. This is a loan that does not have any profit. These loans are provided for small producers, farmers, and small-scale businessmen who have difficulty in finding financial sources for their personal needs. The amount of loans that banks may grant depends on the Qard al-Hassan saving deposits. By loans provided for the low-income groups for financing low-cost housing and small-scale agricultural enterprises, Qard al-Hassan is used for redistributing the banking system income among the different economic groups in the society (Iqbal, 2011: 103 -104).

Source: Parveen, Zadeh, and MuzakkirSyed (2015:66-67) and Hosseini, Khaledi, and Gray (2009: 293)

In Figure 3, the percentage of financing by the type of Shariah-compliant instruments for the period 2014-2018. According to Figure 3, musharaka contracts dominate the financial system in Iran. Following

Figure 3: % of Financing by the type of Shariah-Compliant Instruments (2014Q1-2018Q2)



Source: IFSB (2019)

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musharaka contracts, murabahah is used. In recent years, the rate of commodity murabahah is also increasing.

With the use of monetary policy tools consistent with the Islamic banking system in Iran and the development of opportunities to provide resources to individuals and firms through various financial contracts, the function of supporting the real sector of the financial system has been strengthened (Zangeneh, 1989: 78). With mozaraah (mudharabah), which is provided by Islamic banks at the individual level as well as the real sector, banks provide funds for private projects of individuals and firms. These contracts, in which the minimum profit rate is determined by the Central Bank, are used for short-term commercial activities. With the installment sales application, banks can purchase or resell instruments such as raw materials, machinery-equipment, and housing. Installment sales are the most important financing method in Iran. "Leasing and purchasing" is a tool that allows banks to purchase and rent buildings, machinery, and equipment. By mozaraah contracts, banks can make agreements to rent agricultural land. According to this model of contract, a piece of land is allocated to farmers for agricultural production by the bank for a certain period and profit is shared when the crop is sold. Mosaqat is similar to mozaraah. However, in this model, orchards are the subject of the contract. With mosaqat, banks allocate an orchard to the farmer until the harvesting. After the harvesting, profit is shared between the bank and the farmer. Jo'alah is a service contract that allows one party to purchase the service offered by the other with a specific commission. Depending on the situation and the needs of the consumer, the bank serves as a service recipient. Direct investment is the activities of a bank for economic development or social purposes (Zangeneh, 1989:74–77; Hosseini, Khaledi ve Gray, 2009: 293). In Table 3, the financial facilities to support economic activities are summarized.

Table 3: Financial Facilities Improved by the Islamic Banks in Iran

Types of Economic Activity	Financial Facilities Provided By Islamic Banking	
Productive Economic Activities	* Installment sales	*Direct Investment
* Industry	* Private partnerships	*Qard al-Hassan
* Agriculture	* Formal partnershşps	*Mozara'ah
* Mining	* Purchasing and Leasing	*Jo'alah
	* Forward transactions	*Sales with Credit

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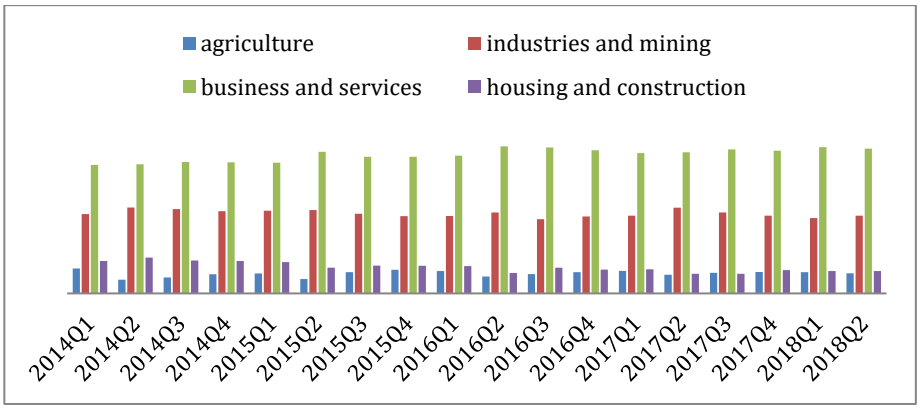
Trade Activities	*Mozareheh (Mudharabah)	
* Import	* Private partnerships	
* Export	* Formal partnerships	
* Domestic Trade	* Jo'alah	
Services	* Private partnerships	*Qard al-Hassan
	* Installment sales	*Purchasing and Leasing
	* Jo'alah	
Housing Sector Activities	* Private partnerships	*Qard al-Hassan
* Construction	* Installment sales	*Direct Investment
* Maintenance	* Purchasing and Leasing	*Jo'alah
Activities to meet individual needs	* Qard al-Hassan	

Source: Zangeneh (1989: 80)

As illustrated in Table 3, there are productive sectors such as industry, agriculture, and mining. For these economic activities, there are different alternatives of Islamic contracts. Purchasing and leasing, installment sales, direct investment, mudharabah, mosaqat, jo'alah and qard al-hassan are some of them. For trade activities, private partnerships, formal partnerships, mudharabah and jo'alah are the models banks prefer. For the service industry and housing sectors, qard al-hassan, private partnerships, installment sales, and jo'alah are the most used models.

Figure 4: % of Shariah Compliant Financing by Economic Activities in Iran (2014Q1-2018Q2)



Source: IFSB (2019)

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Figure 4 represents the percentage of Shariah-compliant financing by economic activities for the period 2014-2018. According to Figure 4, in all periods, business and services got the highest financing with 54.5% in 2018Q2. In the same quarter, industry and mining followed the business and services with 29.3%.

Similarly, in Table 4, the total amount of financing was shown for different sectors. Among the sectors, services facilitated the most with 2.528.3 trillion rials. Manufacturing and mining followed this sector with 1.742.2 trillion rials.

Table 4: Different Sectors Facilitated by Banking Sector (trillion rials)

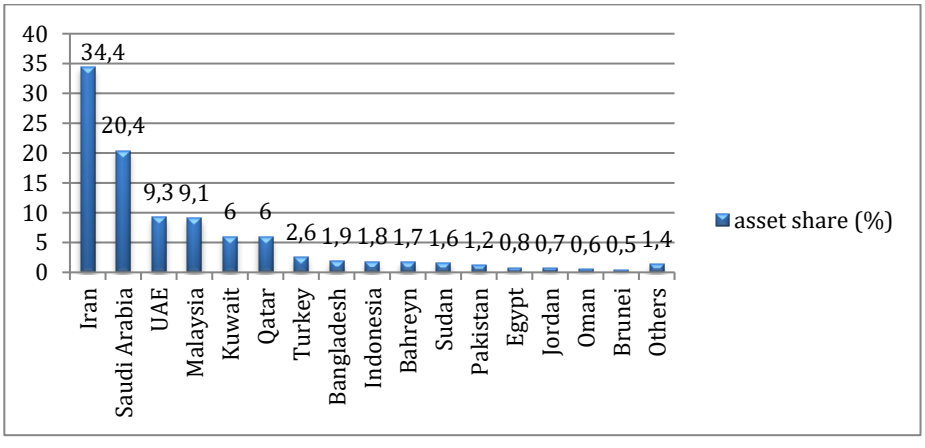
Sector	2016/2017	2017/2018	Percentage change
Agriculture	466.8	492.9	5.6
Manufacturing and Mining	1.609.2	1.742.2	8.3
Construction and Housing	501.2	517.4	3.2
Trade	724.3	851.7	17.6
Services	2.178.8	2.528.3	16
Miscellaneous	3.4	6.6	91.8
Total	5.483.7	6.139.1	12

Source: Central Bank of the Islamic Republic of Iran (2018:7)

C. Current Situation of Islamic Banking in Iran

The global share of the Islamic banking system of Iran is one of the indicators of the strength of the sector. Since the entire banking system

Figure 5: Global Islamic Financial Assets and Countries (%)



Source: IFSB (2018:12)

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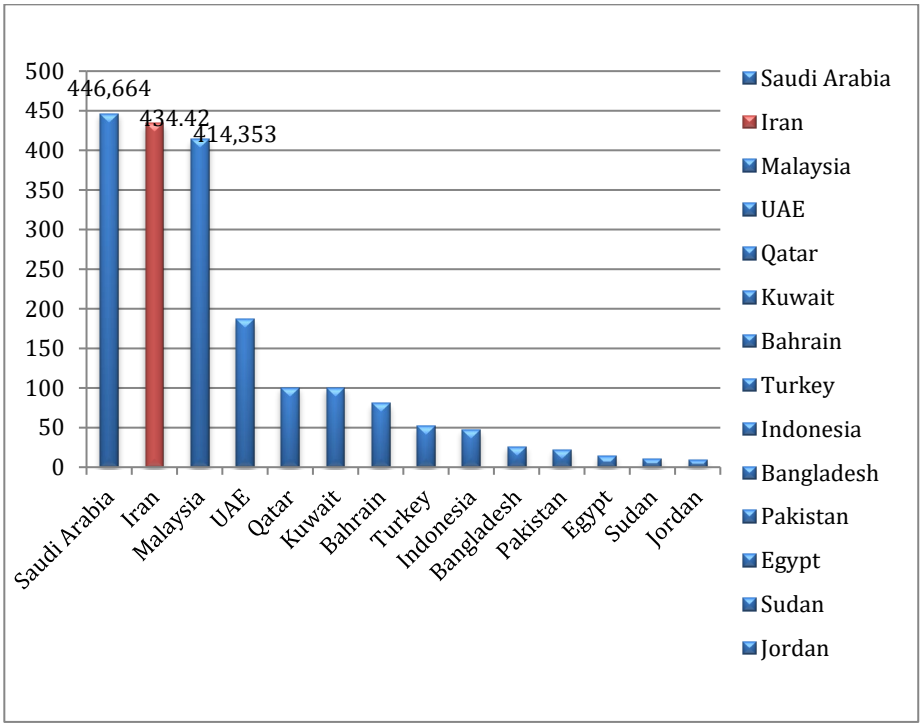
dominated by the Islamic banking model, Iran has the largest share of Islamic banking assets with a rate of 34.4%, as shown in Figure 5. Saudi Arabia and UAE follow Iran with 20.4% and 9.3% respectively. Comparing with these countries, Turkey has a small share in Islamic financial assets with 2.6%.

As illustrated in Figure 6, Iran ranks second on the global scale with 434.42 Million dollars Islamic financial assets after Saudi Arabia. Malaysia follows Saudi Arabia and Iran with 414.353 Million dollars[1]. Comparing with those three countries, the share of the other Islamic countries is relatively low.

Figure 6: Global Islamic Financial Assets and Countries (Million $, 2016)



Source: COMCEC, (2017:8)

Figure 7 represents the Islamic banking assets in Iran for 2014Q1-2018Q2 period. While Islamic banking assets were 9.789.495 rial in 2014Q1, it reached to 21.400.400 in 2018Q2. In this period, liquid assets did not change much. It was 915.019 rial in 2014Q1 and increased to just 1.092.071 in four years.

[1] For detail analysis of global Islamic finance and sample country cases, see Gedikli and Erdoğan (2018); Erdoğan and Gedikli (2019); Erdoğan and Gedikli (2018), Gedikli and Erdoğan (2016).

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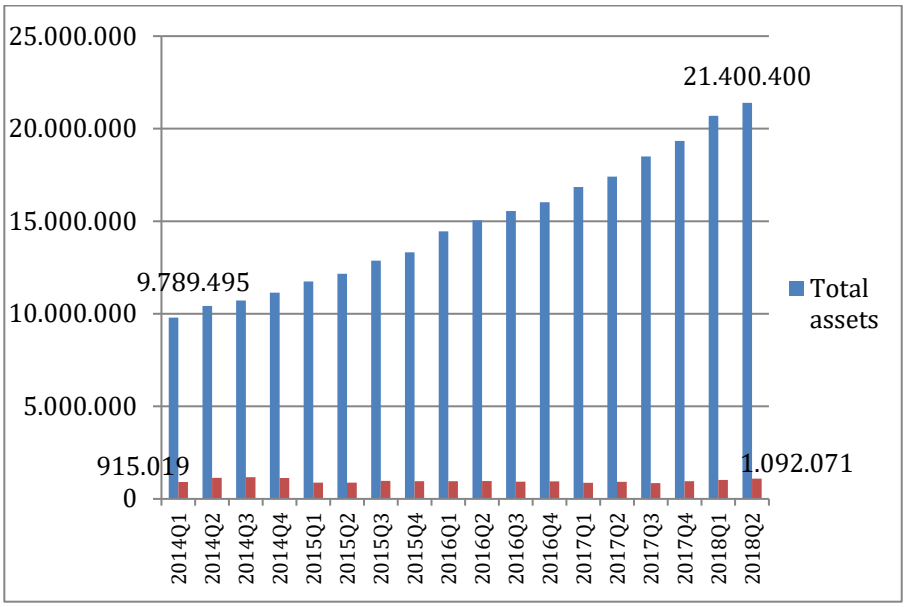
Figure 7: Islamic Banking Assets in Iran (2014Q1-2018Q2) (IIR)



Source: IFSB (2019)

The Islamic finance industry keeps growing globally. Total Islamic finance assets grew by a compound average growth rate (CAGR) 6% and 2.44 trillion $ between 2012-2017. Although this amount was scored by 56 countries, Iran, Saudi Arabia, and Malaysia are the greatest Islamic finance markets. However, Iran experienced a decline in its assets due to the depreciation of its national currency against the US dollar. Furthermore, devaluation of rial caused more declines in financial assets. Because of that Iran's Islamic financial institutions' assets grew by 13% in 2017 (Thomson Reuters, 2018:15). The fragility of the financial system continued in 2017. Capital adequacy ratio is one of the important performance indicators in the banking system. With the implementation of the International Financial Reporting Standards (IFRS) in 2016, the capital adequacy ratio of the banking system decreased from 8.4% in 2012 to 5.8% in 2015. On the other hand, 16% of the total assets of the public banks with negative capital adequacy ratio required additional capital. Another remarkable point in the system is that the cost of funds is high due to the fact that some banks collect deposits by offering high rates which limits profitability (IMF, 2017: 10).

Figure 8 illustrates the capital adequacy ratio between 2014Q1 and 2018Q2. Except for the 2017 first and second quarters, CAR decreased steadily in this period. Although it was 8.9% in 2014Q1, it declined to 4.5% in 2018Q2.

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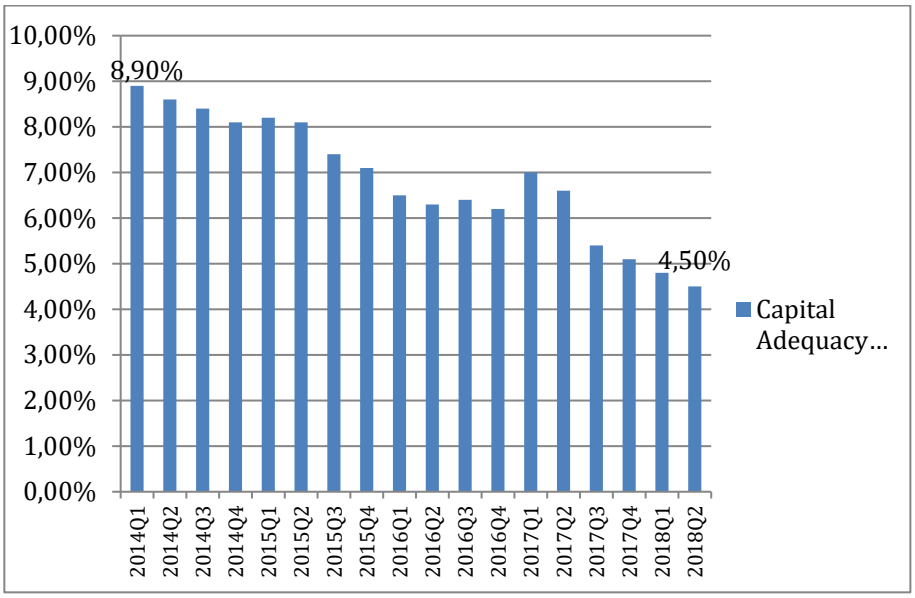
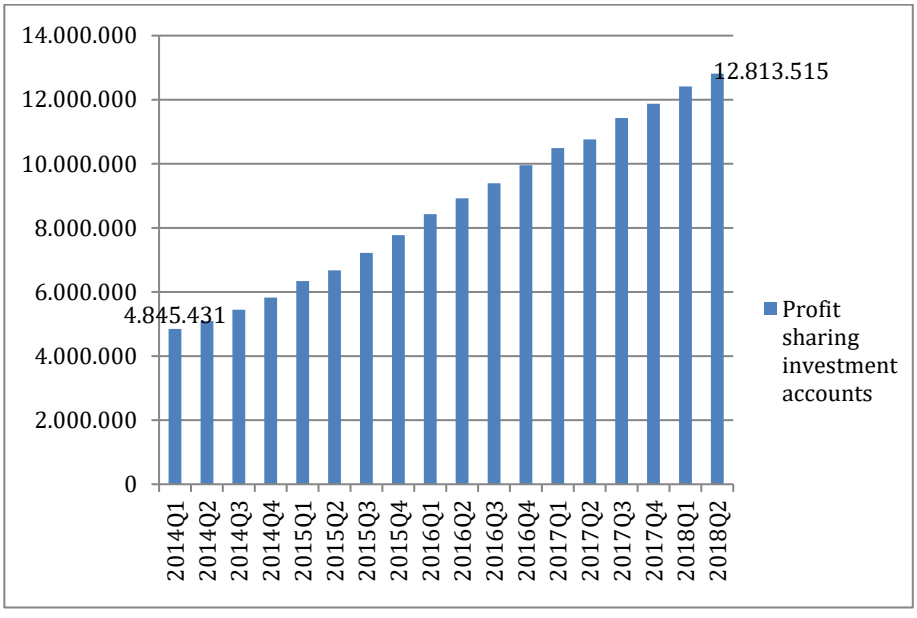
Figure 8: Capital Adequacy Ratio (CAR) (2014Q1-2018Q2)



Source: IFSB (2019)

Profit-sharing investment accounts are shown in Figure 9 for the 2014-2018 period. The profit-sharing investment account increased from 4.845.431 rial in 2014Q1 and reached to 12.813.515 rial in 2018Q2.

Figure-9: Profit Sharing Investment Accounts in Iran (2014Q1-2018Q2) (IIR)



Source: IFSB (2019)

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The studies investigating the Iranian banking system at the macroeconomic level reveal the current state of the banking system in this country[2]. The findings of some of these studies are summarized below.

Gudarzi Farahani and Sadr (2012) investigated the short-run and long-run relationship between Islamic banking improvement and economic growth in Iran and Indonesia for the period 2000Q1-2010Q4. The authors found that a significant relationship between Islamic financial development and economic growth for both countries for both short and long term. They also concluded that economic growth modifies Islamic banking development.

Arjomandi, Harvie, and Valadkhani (2012) investigated Iran's banking performance over the period 2003-2008. The authors concluded that the technical efficiency of the banking industry deteriorated after regulatory changes were initiated. In the 2006-2007 period, the banking industry total factor productivity increased by 32%. However, the banking industry experienced a severe drop in productivity in the 2007-2008 period.

Shayegani and Arani (2012) analyzed the financial stability of the state and the private banks in Iran over the period from 2001 to 2008. The authors found that factors affecting financial stability for the state banks and the private banks are different. Besides, the macro-variables of net gross domestic product and national currency value have different effects on the private and state banks. The volume of loans and the net assets of the banks are also important factors impacting financial stability. And also, because of the financial conditions, private banks are prone to a higher level of risk than their state counterparts.

Najarzadeh, Reed, and Mirzanejad (2013) examined the level of competition for 18 public and private banks in the Iranian banking system for the period 1997-2010. The authors concluded that during the period, the banks operated under a monopolistic competition system. After the privatization and increasing the number of private banks in the banking sector, competition increased in the banking system. The increasingly competitive environment is expected to increase the quality of banking services.

Ghiasi, Mohseni, and Shirazi (2014) investigated the effects of the banking sector and the stock market on economic growth over the period of 1991Q4-2011Q3. The empirical findings indicated that higher export income

[2] In the literature, there are many studies examining the performance of Islamic banks with a comparative approach. See Alam and Rizvi (2017).

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decreases the substitution of banking and the stock market in Iran. They also found that there is a complementary relationship between the banking sector and the stock markets.

Salehi and Khaksarastane (2015) examined the level of efficiency of private banks registered in the Tehran Stock Exchange for the period 2011-2013 in Iran. The authors found that there was a growth in productivity. An important finding of the study is that the bank, whose productivity has declined, has been exposed to this situation due to the lack of investment and the weak application of banking technology. In this study, the importance of the use of modern equipment and strong infrastructure that improves the service quality of banks are highlighted. One of the factors effective in decreasing the productivity growth rate of branches is the inadequacy of technology use.

Ebrahimi, Arshadi, and Salimi (2015) investigated the effective factors on banking profitability in Iran for the period 2003-2012. The authors found that internal factors such as the amount of capital and the size of the bank have a positive effect on the profitability of banks. The structural factors such as market share have a positive effect on profitability. Moreover, inflation and economic cycles have a positive impact on profitability.

Mehrzad, Arshadi, and Salimi (2015) examined the factors affecting the profitability of the banking system by testing the data of 18 private and public banks in Iran for the period 2003-2012. The findings show that bank characteristics and market structure have an impact on the performance of the banking system. Some important results of the study are as follows:

- The amount of capital has a positive effect on bank profitability. Banks with adequate capital can be sound during periods of deferred liabilities or shocks affecting macroeconomic parameters. Also, the amount of capital is the most important variable determining the credit capacity of banks.

- The size of the bank has a positive effect on the profitability of the bank. The size of the Bank's total assets has a positive and strong impact on profitability.

- Concentration has a positive effect on profitability. When there is a decrease in concentration, credit rates decrease, whereas interest rates increase. The result is a reduction in profitability. On the other hand, the increase in the number of banks affects profitability negatively.

- The Bank's market share has a positive effect on profitability.

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Ahmadyan (2018) investigated the effects of credit risk management on the profitability and survival of banks in Iran for the period 2005-2016. The empirical results pointed out that there is a significant relationship between risk management, profitability, and bank survivability. The higher the credit management, the higher the profitability and survival of banks, and vice versa.

Dangolani (2011) investigated the effect of information technology on the banking performance of Bank Keshavarzi. The author concluded that information technology highly contributes to the banking system since it saves the time of the customers and decreases transaction costs.

D. Challenges of Iran Islamic Financial System

After the Islamic Revolution, Iran had to experience several economic, political, and social crisis. Large-scale nationalization, a great number of capital outflows, brain drain, the freezing of its foreign assets, different sanctions on Iran's import and export, an 8-year war with Iraq, oil price shocks, ineffective export-promotion strategies, and growing inflation negatively affected the Iran economy. Moreover, the continuing sanctions worsened the macroeconomic performance of the country (Pourian, 1995:94).

Actually, Iran has been facing severe external sanctions since the 1979 Islamic Revolution. However, the most harmful sanctions for the Iranian economy were put in place by the US, the UN, and the EU in 2012 because of Iran's nuclear program. The sanctions not only affect the country's oil export but also the banking sector as Iranian banks were cut off from the global banking system. Those sanctions caused a currency crisis and a deep recession in Iran. After the nuclear treaty of 2015, the Iran economy regained the positive trend of development. Nevertheless, this period was cut when Trump declared that sanctions would be initiated again in 2018. Right after his declaration, sanctions on oil export and restrictions on Iranian banks started again. The sanctions that have been put in place for many years caused significant liquidity and solvency problems leading to a growing risk to Iran's financial stability. In most of the banks, assets are impaired and their capital positions are weak. Besides, the role of the government in the banking system is enormous and there are many corruption incidents. The government heavily controls 70% of the assets of the banking system. Furthermore, the banking system is criticized as being not transparent. Therefore the controls are very limited on the interconnections between public and semipublic entities. Weak controls brought a shadow banking

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system made up of numerous unlicensed financial institutions. And the system has a complex operation and ownership structure. That's why it is difficult to supervise and monitor the system. The weakness brings vulnerability, mismanagement, and corruption (Mazarei, 2019:1-2). The sanctions were so heavy that the foreign banks having business with local Iranian banks were also punished because of violations of sanctions. UBS (Switzerland), ABN Amro (Netherlands), Credit Suisse (Switzerland), ING (Netherlands), Bank of Moscow (Russia) and Unicredit AG (Germany, Austria, Italy) are some of the banks that had to pay millions of dollars fine for violations of the sanctions on Iran (Congressional Research Service, 2019:32).

Similarly, Zahedi and Azadi (2018:23) point out the same problems. The authors explained that with local and international reasons, the banking system in Iran is being threatened by intertwined crises. The unpleasant situation is a consequence of ineffective macroeconomic policies that caused a low output growth and a full-fledged financial crisis. The main reason for the problems in the banking system is the fiscal dominance, institutional weakness of the CBI, corruption, and other managerial problems of the banking system.

Despite having the largest share in the global Islamic banking assets, some other important criticisms have been expressed in the studies conducted on this issue and attention has been drawn to the failures of the system:

- Islamic financial system in Iran is heavily dominated by jurisprudence. Jurisprudence is critical in setting regulations, guidelines, contracts, and directives. This preference ignores the goals, principles, and foundations. And also, supervision in banks by Shariah Board is not adequate enough (Nili, 2014:190).
- According to the relevant legislation, the loans demanded from the banking system for consumption expenditures are required to be interest-free. However, the credits to be allocated for consumption are limited. If individuals' demands cannot be met with the available sources, the other Islamic contracts are suggested. These practices lead to flows of bank sources from productive sectors to the consumer sector. (Parveen, Zadeh, and MuzakkirSyed, 2015: 65).
- Financial institutions that compete with Islamic banks, offer products and services based on advanced technologies. Contrary, Islamic banks prefer to continue with traditional contracts (Haghtalab and Nodeh,

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2012: 108).

- Some Islamic contract models cannot be understood very well and even they are confused. Mudarabah, murabahah and jo'alah require bank managers and well-educated Islamic finance professionals to explain all details of contracts to their clients. Since there is limited knowledge, most of the contracts are signed on certain models. Fake contracts are the other problem of Islamic finance in Iran. Despite its great advantages, sukuk is not preferred either (Nili, 2014:190-191).
- There is a lack of public awareness of interest-free financial services. Most of the people mixed riba with fixed profit. Society needs Islamic financial literacy (Haghtalab and Nodeh, 2012:109).
- The banking sector is fragile. Overdue payments by the public sector directed loans, and weak risk management practices lead to deterioration of bank balance sheets and weakening of capital positions. On the other hand, the bank funding model used in the banking system is based on the principle that external funding sources are not preferred. Public commercial banks, state specialized banks, and partially privatized banks are heavily dependent on the resources of the Central Bank to implement government credit instructions (IMF, 2017:12-14).
- Unlike Malaysia, Bahrain, and UAE, Iran does not try to standardize its Islamic banking system. Iran can only integrate with the global Islamic financial system by making standards (Ashraf and Giashi, 2011:43). The banking system is the lack of enough auditing and accounting standards. Most of the Sunni countries follow Auditing Organization for Islamic Financial Institutions (AAIOFI) standards except Iran (Nili, 2014:190-191).
- Sometimes politicians request Islamic banks to offer loans with below-inflation rates. The banks should be realistic and they should not be influenced by the politicians. Instead, they should follow a genuine and sustainable credit policy (Ashraf and Giashi, 2011:43).
- Since there is just an interest-free banking model in Iran, and only interest-free loans are allowed by the law for personal and consumption needs, banks have very limited resources to provide this service. And actually, most of the loan demand is not real, and furthermore, the system pushes the limited loans from productive investments to satisfy consumer needs. It is a fact that it is a necessity to improve new innovative products and instruments for financing

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new activities (Parveen, Zadeh, and MuzakkirSyed, 2015:66).

- Although it is forbidden to get riba, all banks charge their borrowers a fixed pre-set interest rate at least once a year (Parveen, Zadeh, and MuzakkirSyed, 2015:66). Furthermore, banks have the right to pay an on-account monthly profit before actual profit which is supposed to be paid at the end of the year. These account rates are misused by the banks to compete with their rivals. Although these rates are decided by the Central Bank, the commercial bank sometimes exceed these rates by exploiting the loopholes. Moreover, the laws are not effective enough for late payments. The repayment of debts is also problematic in the country (Nili, 2014:191).
- The current system ignores the low-income groups. Since Islamic finance is the sole fund provider of the whole economy, different social groups need to get fair financial services (Nili, 2014:191).

Conclusion

In accordance with the prevailing Islamic interpretation in Iran, all of the conventional banks were converted into Islamic banks. Because of this transformation, Iran has the largest share in global Islamic banking assets. After the nationalization of the baking system following the Islamic Revolution, the withdrawal of the funds from the system increased. Besides, the system became more complicated. Furthermore, the Iranian banking system is criticized as not being transparent enough and there is no strong integration with the global financial system. Moreover, the sanctions on Iran primarily caused a decline in foreign trade. Along with the sanctions, the fall in oil prices directly affected the economy. The country's most important source of income comes from oil and gas trade. The decrease in oil prices in addition to ongoing sanctions increased macroeconomic problems and uncertainty. They also adversely affected the banking sector. All these negative factors led to a decrease in income. To improve the Islamic banking sector in Iran, the following policies can be applied:

- To have a higher reputation in the banking sector, the government should provide more transparency, financial reporting, auditing, and monitoring as well as standardization and generally accepted Islamic accounting principles. This will provide less corruption and better allocation of limited sources.
- With increasing reliability, Islamic banks can contribute to improving the real economic sectors that may lead to economic growth and capital accumulation in Iran.

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- The Islamic financial system should be more liquid and more effective. Besides, global financial instruments should be expanded. There should be more efforts to develop secondary financial markets for Islamic financial products (Lone, 2016: 154).
- Educating society and raising public awareness for the services and benefits of the Islamic financial system will increase the effectiveness and efficiency of Islamic banking. The social responsibility function of Islamic banking should be strengthened. Actually, social responsibility and profit maximization are not conflicting goals. The higher performance of Islamic banks is not solely dependent on financial performance. The ethical role of Islamic banks and their social responsibility performance are a strategic tool that should be evaluated to have a positive image of Islamic banking (Haghtalab and Nodeh, 2012: 109).
- In order to maintain a competitive environment, Islamic banks should have new technological investments (Haghtalab and Nodeh, 2012: 108). Accordingly, new innovative financial products and instruments should be included in the Iran banking system (Parveen, Zadeh, and MuzakkirSyed, 2015: 65). Particularly sukuk transactions should be improved. There are many countries such as Malaysia, UAE and Bahrain have been applying sukuk instrument in different investments. Iran can be competitive in sukuk issuance.
- One of the most important obstacles to the improvement of the Islamic banking system in Iran is the long-standing sanctions. When the sanctions were alleviated in 2015, not only the macroeconomic performance but also banking sector performance improved. However, after the US President Trump's explanations, the sanctions restarted again. It is obvious that the sanctions will have severe political and economic effects which will have direct impacts on the banking sector. Therefore, international relations should be improved and mutual constructive processes aimed to mitigate the negative effects of sanctions should be put forward.

In this vein, Iran should improve economic and political relations with its neighbors and other regional countries. As an example, Astana Process is a critical process since Iran, Turkey, and Russia discussed the regional political-economic partnerships and negotiations at the meeting. These policies may have positive effects on the Iran banking sector as well.

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İRAN BANKACILIK SİSTEMİ ÜZERİNE BİR ARAŞTIRMA: SORUNLAR VE ÇÖZÜM ÖNERİLERİ*

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Öz

İran, Sudan ile birlikte bankacılık sistemi tamamen İslami prensiplere dayanan dünyadaki iki ülkeden birisidir. Ülkede uygulanmakta olan İslami bankacılık sistemi konusunda çok farklı eleştiriler yapılsa da İran, küresel ölçekte en yüksek İslami finansal varlıklara sahip ülkelerden birisi durumundadır. Esasen İran bankacılık sistemi, sadece bankacılık hizmetleri vermekle kalmayıp, İran toplumunun İran Devrimi sonrası dönemde yeniden yapılandırılması için kullanılan önemli bir kilometre taşıdır. İran Devrimi ile birlikte birçok alanda olduğu gibi bankacılık alanında da yapısal dönüşüm süreci başlamıştır. Bankacılık sektörünün yeni döneme adapte edilmesi için finansal sistem, tedricen ülkenin İslam anlayışına uygun hale getirilmeye çalışılmıştır. Bu çerçevede sistemin millileştirilmesi yönündeki girişimler yasal düzenlemeler ile desteklenmiştir. İlerleyen dönemlerde sosyal ve ekonomik hedeflere ulaşmak için geliştirilen stratejilerin hayata geçirilmesinde bankalara önemli sorumluluklar yüklenmiştir. Bankacılık sektörüne iktisadi faaliyetleri destekleyerek iktisadi gelişme hedeflerine katkı sağlama işlevinin yanısıra, gelir dağılımında dengenin sağlanması stratejilerine paralel işlevler de yüklenmiştir. İran'da bankacılık sektörünün sahip olduğu kaynakların bir bölümü belirli bir gelir seviyesinin altında kalan bireylerin desteklenmesi amacıyla kullanılmaktadır. Devrimden günümüze

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ülkede bankacılık sisteminin kullandığı araçlar ve uyguladığı politikalar ile İran İslam devletin tamamlayıcı bir parçası olması hedeflenmiştir. Son yıllarda bankacılık sistemi ekonominin yeniden yapılandırılması sürecinde temel bir araç olarak kullanılmış, petrol fiyatlarındaki düşük seyrin devam etmesi ve politik nedenlerle dış kaynakların kesilmesi sonucu bankacılık kesimine daha fazla rol verilmiştir.

İran bankacılık sisteminde, kamu bankalarının yanısıra özel bankalar da faaliyette bulunmaktadır. Bankacılık sistemi ticari devlet bankaları, ihtisaslaşmış devlet bankaları, karzı hasen bankaları ve özel bankalar şeklinde bir yapılanmaya dayanmaktadır. Bütün özel bankalar, ticari banka şeklinde yapılanmıştır. Bunun yanında kamu bankalarının ticari banka ya da ihtisas bankası şeklinde iki türü bulunmaktadır. İhtisas bankaları, konut ya da tarım sektörü gibi ihtisas alanlarında faaliyette bulunmaktadırlar. Uygulamaya bakıldığında kamu bankaları kategorisine karzı hasen bankalarını da ilave etmek gerekmektedir. Böylelikle kamu bankalarının üç türden oluştuğunu söylemek mümkündür. Ülkede uygulanan kontrat modelleri, Mozareheh (mudaraba), Taksitli Satış uygulaması, Kiralama ve Satınalma, Mozara'ah, Mosaqat, Jo'alah ve Doğrudan Yatırım sözleşmeleri en sıklıkla tercih edilen işlemlerdir. Bu kontratlarda faiz uygulamasından sakınıldığı belirtilmektedir.

Öte yandan, tamamen İslami bankacılık sisteminin geçerli olduğu İran finansal sisteminde, konvansiyonel bankacılık sisteminde uygulanan faiz oranları ve açık piyasa işlemleri gibi sıklıkla başvurulan geleneksel para politikası araçları yerine sistemin doğası ile tutarlı para politikası araçları kullanılmaktadır. Banka payı için maksimum ve minimum kar oranlarının sabitlenmesi, değişik yatırım alanlarının ve ortaklıkların dizayn edilmesi ve beklenen minimum kar oranlarının sabitlenmesi, minimum ve maksimum kar marjının sabitlenmesi ile komisyon türleri ve miktarının belirlenmesi gibi araçlar en sık uygulanan politikalardır.

İktisadi ve sosyal hedeflere uygun işlevler üstlenen bankacılık sektörünün performansı hakkında çok net değerlendirmelerde bulunmak bu ülkedeki finansal sisteme ilişkin verilere ulaşmanın güçlüğü nedeniyle çok kolay değildir. Ancak hemen ifade etmek gerekir ki, bu tespit, İran bankacılık sistemi hakkında bilgi sahibi olmanın mümkün olmadığı anlamına gelmemektedir. İran finansal sistemi ve bankacılık yapısı üzerine yayınlanmış çok sayıda ciddi bilimsel çalışmanın yanısıra, ulusal ve uluslararası kurum ve kuruluşların raporları bulunmaktadır. Söz konusu

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kaynaklar incelendiğinde ülkenin bankacılık sisteminin genel yapısı ve performansı hakkında bir fikir edinmek mümkündür.

İran'da bankacılık sektöründeki millileştirme girişimleri tedirginlik eğilimlerini artırarak sistemden fon çekilmesine yol açmıştır. Uzun yıllardan beri devam etmekte olan ambargolar yanında, ABD ve Avrupa ülkeleri ile yaşanmakta olan siyasi sürtüşmeler reel sektör yanında finans sektörünü de olumsuz etkilemiş, bankacılık sektörü kırılgan bir görünüm ortaya koymaya başlamıştır. Kamunun geciktirilmiş ödemeleri, güdümlü ve yönlendirilmiş krediler, zayıf risk yönetimi uygulamaları, banka bilançolarının bozulmasına ve sermaye pozisyonlarının zayıflamasına yol açmaktadır. Öte yandan bankacılık sisteminde kullanılan banka fonlama modeli dış finansman kaynaklarının tercih edilmemesi esasına dayanmaktadır. Kamu ticari bankaları, kamu ihtisas bankaları ve kısmen de özelleştirilmiş bankalar hükümetin kredi talimatlarını uygulamak üzere büyük ölçüde Merkez Bankası kaynaklarına bağımlıdır. Bunların yanında ülkeye yönelik uygulanan ambargo, öncelikle dış ticaretin gerilemesine neden olmaktadır. Ambargonun yanısıra, petrol fiyatlarının düşmesi de ekonomiyi doğrudan etkilemektedir. Ülkenin en önemli ihracat gelirleri petrol ve doğalgaz ticaretinden sağlanmaktadır. Petrol fiyatlarının düşmesi gelirin erimesi anlamına gelmektedir. Sonuç olarak bir yandan İran'a yönelik yaptırımlar, diğer yandan petrol fiyatlarının düşmesi makro ekonomik sorunları ve belirsizliği artırarak bankacılık sektörünü olumsuz yönde etkilemektedir. İran bankacılık sisteminin yeterince şeffaf olmadığı, ayrıca küresel finansal sistem ile güçlü bir entegrasyon sağlayamadığı yönünde eleştiriler de yapılmaktadır.

İslami finansın var olduğu bütün ülkelerde olduğu gibi İran'da da İslami bankacılık ve İslami finansal sistemin gerçek anlamda daha likit ve daha etkin olması için standardizasyon konusunda güçlü adımlar atılmalı ve küresel ölçekte rağbet gören finansal araçların yaygınlaştırılması sağlanmalıdır. İslami finansal ürünler için ikincil finansal piyasaların geliştirilmesine çaba sarf edilmeli; kısa vadeli yaklaşımlardan kaçınılarak şeffaflık, finansal raporlama ve genel kabul gören İslami muhasebe ilkelerinin yaygınlaşmasına yönelik girişimler güçlü bir şekilde sürdürülmelidir.

Bu çalışmada İran'da İslami bankacılık konusu araştırılmıştır. Çalışma üç ana başlıktan meydana gelmektedir: Birinci bölümde; İran'da İslami bankacılığın tarihsel arka planı açıklanacaktır. İkinci bölümde; ülkede bankacılık

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performansı tartışılacaktır. Son bölümde ise, İslami bankacılığın karşılaştığı güçlükler ele alınarak bunlara yönelik alternatif politika önerileri getirilecektir.

Anahtar Kelimeler: İslami Ekonomi, İran, İslami Bankacılık, İslami Finans.



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