



The Impact of the Coronavirus Pandemic on Banking Resources (Problems and Solutions from an Islamic Perspective)

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Abstract:

The coronavirus has caused countless deaths worldwide. The spread of a global pandemic not only threatens public health but has also disrupted the balance of supply and demand in business. Economically, it has affected nearly all sectors, and similarly, many individuals in society have lost their income. This situation has negatively impacted the well-being of individuals and communities. The rapid spread of the coronavirus plunged the global economy into an unprecedented economic crisis. The outbreak severely affected economic activities such as the global fiscal balance, global unemployment rates, the tourism industry, global inflation, international trade volume, and global growth rates. This article briefly addresses indicators of Iraq's public fiscal balance. These indicators were selected due to their direct interrelation and strong cause-and-effect relationships. The chosen indicators will be analyzed within the timeframe of 2000–2019, along with forecast estimates for 2020–2021. In our research, we seek to transform this pandemic into a new innovation in Iraq's banking sector by directing this study to identify appropriate mechanisms to address the effects of the coronavirus pandemic on Iraq's banking sector. Our goal is to contribute to identifying problems and solutions, ultimately leading to the determination of treatment mechanisms from an Islamic perspective. We conclude that Islamic banking policy involves the design, development, and implementation of innovative financial instruments and processes, along with creative solutions to financing problems—all within the framework of Islamic Sharia. This will greatly assist the banking sector in overcoming its crisis caused by the coronavirus pandemic.

Keywords: Coronavirus pandemic, banking sector, Republic of Iraq, economic crisis, Islamic economy.

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Chapter One: Study Methodology

First: The Study Problem

The current Corona pandemic crisis, which began in 2019 and continues to this day. The world today is living with many fluctuations and crises that have affected economic activity, perhaps the most important of which at the same time these crises represent repeated blows to economic theory in particular and economic systems in general in particular to the capitalist economic system adopted by most countries in the world today. This matter has sown a lot of doubt in the hearts of most countries of the world about the effectiveness of their choice of the economic system applied in them, whether It was not about capitalist countries that constitute the majority, or the minority that follow socialism or other vaguely defined hybrid systems. At the same time, the voices of those calling for the third or alternative approach to the current economic systems, which have become traditional and have proven ineffective, began to become louder; some of them propose modification in the economic theory followed, some of them advocate new options, etc.;

the systems currently prevailing for the organization of production and the distribution of products are not the systems that have always prevailed, nor the systems that will always prevail, and the conservative theory in its entirety, but only to the isolated individuals within¹ it.. The adoption of classical modern epistemology by economists has led... Because of the failure of Western economic theory, voices became louder to criticize neoclassical theory, and great confidence in this theory began to shake, and voices rose to discuss a reform of economic theory or an alternative to it to achieve the goals that were set for economic theory but failed to achieve them². We also find a good category of countries in the world that have suffered and continue to suffer from the scourge of their poor choice of economic systems, which is among the Islamic³ countries. Most of the "Islamic" countries did not take into account the peculiarities of their social culture (Islamic culture) when choosing their economic systems at the present time, which made them suffer on many levels, for example: the problem of usurious conventional banks embedded in the core of their economic systems.

Dysfunctional Muslim countries should try to build a model of their own economic system or rather revive the "Islamic economic system"; one that ensures that Muslim countries conform their Islamic culture to their economic system, which is supposed to be the "Islamic economic system." Even recently, many Western countries have begun to adopt some Islamic economic ideas) the idea of adopting Islamic banks, which some Islamic economists interpret as the beginning of the West's acceptance of the idea of the economic system. The idea of building a model for an Islamic economic system that is applicable in non-Muslim countries is also among the objectives of this message; but many scholars also in the same field believe that there is a deficit in Islamic economic theory, as theorizing the economic behavior of economic units in Islamic societies has not been done in a satisfactory and sufficient manner, since the first World Conference on Islamic Economics in 1979 until now, the features of Islamic economic theory have not appeared and there are no systematic attempts to reach it⁴. The Corona pandemic has sparked an economic downturn globally, putting many pressures on the banking sector, amid expectations that many households and companies will face difficulties in meeting their financial obligations in the coming months, especially with the increase in unemployment rates, there is a lot of speculation and doubts about the possibility of a recession. The International Monetary Fund, the World Bank, and a number of central banks have responded to legitimize this speculation. Despite numerous efforts to stabilize the process of economic growth, the truth is that Cyclical fluctuations are repeated over intervals of several years (usually less than 10 years) and now, 11 years have passed since the beginning of the growth and recession cycle, and of course, the prolongation of this cycle has reinforced speculation that the end of the cycle (recession) is approaching. But making a final decision on this can be controversial. The economic shock of the coronavirus (scientifically called the coronavirus pandemic) has significantly reduced China's economic growth forecast, and as a result global economic growth cannot be expected to reach 3% by 2022 (usually considered a sign of health).

Second: The importance of research

The Corona pandemic crisis had great effects on the global banking sector in general and Iraq in particular, which had great results that led to a major economic recession, which reflects negatively on all Iraq's efforts to solve the problems of unemployment, poverty and development, which led to the exacerbation of these problems worse than they were,

¹ See: Green, Francis; and Nour, Peter; translated by: Noman Kanavi; Critical Studies in Economic Theory, p. 34.

² See: Al-Saati, Abd al-Rahim Abd al-Hamid, Methodology of Islamic Economics, pp. 61-62.

³ Owaisi, Amin, A General Study on the Relationship between the Economic System and Social Culture, p. 300.

⁴ Al-Saati, Abd al-Rahim Abd al-Hamid, Economics and Islamic Economics: A Systematic Study, p. 50.

and what is no less dangerous is the start of questioning the global and Iraqi banking system, which, if canceled, will be accompanied by the cancellation of major achievements. It was done under his shadow. The world has become helpless in the face of the Corona pandemic crisis, and the global and Iraqi banking sector is threatened to slide into the abyss of collapse, and through this study we will try to search for the effects of the Corona pandemic crisis, and the extent to which the global banking sector is affected by it, with a focus on the Iraqi banking sector, and the way out of it through the Islamic economy.

Third: Previous Studies

The crisis is considered the Corona pandemic a newly emerging phenomenon, and from here we do not find research that dealt with this phenomenon and its effects, the results are more important and more accurate after a long time after the Corona pandemic crisis, so that the effects of the crisis can be identified in the short and long term, and here we refer to some of them: -

1-Fred Kurtel's study: "The global financial crisis and its impact on Arab economies", and the study concluded: The decline in growth rates in the Gulf economies as a result of the decline in oil prices, as well as the decline in the performance of financial markets and foreign investment flows, and stressed that these countries are affected through three outlets: -

Financial institutions that hold holdings in mortgage bonds are affected.

Losses resulting from the management of investments by American investment banks affected by the crisis, especially with the link between Gulf banks and international banks in the United States of America.

2-Mustafa Qara, Nabil Dahdah, Ahmed Al-Badawi: "The Global Financial Crisis and the Challenges of Restoring Economic Stability and Achieving Peaceful Growth in the Arab Countries", Arab Monetary Fund, December 2013.

3-Study of Hossam El-Din Muhammad Al-Sayed entitled: "Global Financial Crises and their Economic Effects on Arab Financial Markets and Economies", Conference "The Role of the Financial Sector in Arab Development", Arab Society for Economic Research, (2008).

Section Two: Concepts

First: Definition of Crisis

Crisis language: the change that the patient discovers in the fever and is added to the day as it is said "crisis day".⁵

Crisis idiomatically: It is an event that occurs suddenly and sometimes increasingly and leads to a dangerous and unstable situation for an individual, group or society. The crisis creates a situation that requires basic and extraordinary measures to resolve it. Crises vary in type and severity. A crisis is a particularly significant stress that dismantles traditional ideas and reactions and creates new damages, threats, risks and needs. The Chinese word equivalent to crisis shows a better picture of its constituent components. The word crisis in Chinese consists of the same characters that constitute "danger" and "opportunity". A crisis as a sign of an obstacle, damage, loss or threat; it also indicates an opportunity to grow or decline.

Characteristics of the crisis

✓ It is usually unpredictable (that is, it is impossible to predict when and where it will occur) but it is usually unpredictable except for natural disasters that cause a crisis.

⁵ Al-Gujarati, Jamal Al-Din, *Majma' Bihar al-Anwar fi Strangeness of Revelation and Taif al-Akhbar*, vol. 1, p. 54.

- ✓ It is more of an emergency than a permanent one.
- ✓ It is dynamic and 'changeable.

From these definitions, it is clear that the crisis is an emergency and exceptional situation in a critical period that is unstable and carries with it many risks, and researchers have tried to draw a clear picture so as not to mix with other events and facts, warning that there is a clear difference between them and a number of common terms such as incident, incident, conflict, disagreement, problem, disaster, and most of what overlap terms and mixed concepts between the crisis and the problem, the crisis and the disaster⁷.

➤ *Types of crises*

Studies that have focused on crises reveal a difference in the nature of learning in times of crisis, depending on the type of crisis. Scientists classify crises into many categories according to the criteria used by each researcher for classification. There are studies that classify crises according to two main worlds: the type of crisis and its time span into the following types: -

- ✓ Sudden crisis: It is the crises that occur in a lightly manner, and examples of these crises are, fires, explosions, accidents of ships and aircraft, railways....
- ✓ Crises with tangible introductions: which have preliminaries that can be sensed in advance, and examples of these crises are: Strikes of scientists and students....
- ✓ Chronic crises: These are those that last for several months or even years despite making the best efforts to find solutions to them, such as: rumors and crises of credibility between the organization and its⁸ audiences.

➤ *Causes of the crisis*

There are many reasons behind the occurrence of crises, and these reasons vary and vary according to the different areas in which the crisis occurs and the sectors practiced by it and the institutions that affect it, among these reasons: -

Situations beyond human control, such as crises caused by natural disasters such as earthquakes, volcanoes, hurricanes and floods....

When the information on which organizations and institutions build wrong or incomplete decisions due to negligence and indifference, the conclusions of the administration are wrong seeds and this necessarily entails that the decisions issued based on the distorted information system are also wrong, resulting in congestion and blockage at more than one level, which leads to the emergence of the crisis that results in improper awareness of the reality that is going in the opposite direction to the course of administrative decisions.

Misinterpretation of things and failure to estimate and evaluate them: by giving priority to the emotional and emotional aspects that serve personal interests, relatives and owners of fields during decision-making, and these often offend the institution or organization and seek to narrow their narrow goals at its expense, so the imbalance that generates the crisis occurs.

Stagnation and repetition: which stands in the face of all attempts to develop and change to harmonize with the movement of life that brings new things every day.

Treating the symptoms of problems and ignoring their causes and roots: The administration that prefers easy solutions and tends to solve problems in superficial and

⁶ <https://www.startimes.com/?t=28698554>

⁷ See: Zarman, Muhammad, *Media and Crises: A Reading in the Conceptual Framework*, p. 3.

⁸ See: Mohammed, Adel, *Journalism and Crisis Management*, p. 86.

quick ways and does not look for their sources, but works to complicate them and turn them into suffocating crises because these occasional problems that are usually repeated warnings that there is a defect that needs a serious solution.

Rumors: Rumors are often an important cause of crises due to the turmoil they provoke among people who respond to them and build their attitudes and actions based on them⁹.

➤ *Stages of development of the crisis*

Studies on the subject of crises and their management dealt with the stages of crisis development on the basis of the phases that these crises go through, and the literature of crisis study reveals that crises go through different phases and stages¹⁰.

The scientific models of the crisis agree that the stages of the crisis are usually divided into four stages as follows: -

✓ Warning stage: It is the one in which something is clear or vague looming on the horizon and warning of an unspecified position, direction or intensity and the extent to which it reaches, and the media here must investigate its causes and prepare the requirements for confrontation.

✓ Birth stage: where the crisis grows and intensifies rapidly, and the media here must deal with the real crisis accurately and activate the method of confrontation.

✓ Explosion stage: It is the stage in which the crisis begins to fade and the loss of the driving force or generative of it, and it is the responsibility of the media at this stage to address the results of the crisis in order to return the method of work to the normal situation that prevailed before the crisis¹¹.

Second: Corona pandemic

➤ *Definition of pandemic*

Language: The scourge that destroys fruits and money, and we eradicate them, and every great calamity and strife: a pandemic and plural: pandemics, and God forbids money: destroys it and overwhelms it¹².

The French word *pandémie* and the English word *pandemia* are derived from the Greek word *πανδημία*. The word *παν* (*πᾶν*) means all, *δημος* means persons, and *Pandemus* means all persons.

Infectious diseases are a pandemic that crosses international borders and affects large numbers of people. Global epidemics can occur in important agricultural organisms (livestock, crops, fish, tree species) or other organisms. Gastrointestinal disease is of infectious origin; for example, cancer is the cause of many deaths, but the disease is not epidemic because it is not infectious or contagious¹³.

The World Health Organization (WHO) previously used the six-layer classification to prevent the new influenza virus from becoming an epidemic for many infections in humans. It starts with the virus that infects most animals, followed by a few cases in which animal infection leads to human infection, and then begins at a stage where the virus spreads evenly between humans and when a new viral infection spreads throughout the universe. In February 2020, the World Health Organization explicitly stated: "There is no official category (for the global pandemic)."

⁹ See: Zarman, Muhammad, *Media and Crises: A Reading in the Conceptual Framework*, p. 8.

¹⁰ See: Mohammed, Adel, *Journalism and Crisis Management*, p. 91.

¹¹ See: Al-Dulaimi, Khalaf, *Natural Disasters and Reducing Their Effects*, p. 164.

¹² Al-Baali, Muhammad ibn Abi al-Fath, who is familiar with the words of the masked, p. 292.

¹³ <https://web.archive.org/web/20200303222051/https://www.worldcat.org/title/dictionary-of-epidemiology/oclc/610974909>

Pandemic classifications

The World Health Organization divides pandemics into 6 phases, which are:

Stage I: A virus that infects animals but does not cause infection in humans.

Stage II: A virus infecting animals that has led to a human infection.

Phase III: The virus has led to sporadic cases or small groups, but is still not sufficient for an epidemic in the community.

Phase IV: The risk of an epidemic is imminent but uncertain, and the disease has become sufficient to cause an epidemic in a community.

Stage V: Infection has become transmitted from person to person and has caused infections in two different countries located in the same region according to the distribution of regions approved by the World Health Organization.¹⁴

Phase VI: The epidemic has become global and infections have been recorded in at least two different regions according to the distribution of regions approved by the World Health Organization¹⁵.

Death. A fire in the 1906 San Francisco earthquake destroyed much of San Francisco's urban areas, including the entire Chinatown area. The reconstruction process began immediately but took several years. While reconstruction was in full swing, a second plague hit San Francisco in May and August 1907 but was not concentrated in Chinatown. Cases occurred randomly across the city, including those identified across the bay in Auckland. Politicians and the press in San Francisco reacted very differently this time, wanting to solve the problem quickly. Health authorities worked quickly to assess and eradicate the disease. Nearly \$2 million was spent between 1907 and 1911 to kill as many rats in the city as possible in order to control one of the vectors of the disease¹⁶.

Economic consequences

In 2016, the Global Health Risk Authority Board for the Future estimated that pandemic events could cost the global economy nearly \$6 trillion in the 21st century, or nearly \$60 billion annually. The same report recommended spending \$4.5 billion annually on global prevention and response capacities in order to reduce the potential risk of pandemic events¹⁷.

1 – Corona**➤ *Coronaviruses***

Coronaviruses are a large group of viruses that can infect animals and humans and cause respiratory distress; these discomforts may be mild such as a cold or severe such as pneumonia. In rare cases, animal coronaviruses infect humans and then spread among them. You may remember the SARS (Acute Respiratory Syndrome) virus from 2002 to 2003; the virus was an example of a coronavirus that jumped from animals to humans. Another major and newer strain of coronavirus is MERS Middle East respiratory syndrome, which was discovered in the Middle East in 2012, and according to scientists, the virus was first transmitted from camels to humans¹⁸.

²<https://web.archive.org/web/20200303221824/https://www.thieme>

¹⁵https://web.archive.org/web/20090429100200/www.who.int/csr/disease/avian_influenza/phase/ar/index.html

¹⁶ Iliffe, John (1989). "The Origins of African Population Growth". *The Journal of African History*. 30:165–169.

¹⁷<https://web.archive.org/web/20200303222018/https://www.tandfonline.com/doi/full/10.1080/01576895.2016.1135718>

¹⁸https://web.archive.org/web/20200203224147/http://www.alqamoos.org/?search_fulltext=coronavirus&field_magal=All

Coronaviruses belong to the family Coronaviridae within the family coronaviruses within the order of viruses on the eukaryote order¹⁹. Coronaviruses are coated viruses with a bidirectional single-stranded RNA genome and a capsid with identical spiral nucleus. The genome of coronaviruses is about 26 to 32 kilobases in size, the largest among RNA viruses.

The name "coronavirus" (Arabic: coronavirus. CoV (Latin: corona) means crown or corona, as the name refers to the distinctive appearance of virus particles (virions) that appear through electron microscopy, where they have a velvet of surface protrusions, which shows them in the form of a king's crown or solar corona²⁰.

✓ **Corona pandemic in Iraq**

✓ **The emergence of the pandemic in Iraq**

The 2020 coronavirus pandemic spread in Iraq starting on February 24, 2020 in the city of Najaf, when a sample of an Iraqi religious student tested positive for severe acute respiratory syndrome coronavirus disease (SARS-CoV-2). Other cases of COVID-19 were then detected, with a total of 124,609 confirmed cases in Iraq including 4,741 deaths as of 31 July 2020.

➤ ***Iraqi government measures in the face of the Corona pandemic***

Chinese media announced on March 7, 2020 the coronavirus and after the arrival and spread of the coronavirus in Iraq, according to Time reports issued by the World Health Organization, the Iraqi government prioritized health issues and assessed its readiness to adapt well. After the widespread coronavirus outbreak in China, the Ministry of Health announced in early February that all passengers arriving from China would be monitored and suspected cases would be transferred to a designated hospital. Also, Iraqi students living in China They were placed in quarantine for two weeks after entering the country. Students returning from China were isolated for two weeks due to preventive measures, and after this period on February 28, they were released from quarantine after it was announced that none of them contracted the coronavirus. After the spread of the Covid-19 pandemic in Iraq, the Minister of Health said that health centers across the country are ready, especially in areas where cases of the disease have been observed. Private ambulances are also located next to these centers to take action to transport patients while the Ministry of Health has proposed temporary restrictions on access to places of visits and religious sites in the Ministry of Health, which has not been implemented by officials. The head of public relations at the Ministry of Health criticized the lack of restriction of gatherings in religious centers, including shrines. On March 24, the Ministry of Culture canceled all film screenings, concerts and theatrical performances until March 30. In all age groups and in all sports, it has been cancelled until April 6. On Sunday (March 25th), the Ministry of Health announced the closure of universities and higher education until the end of the week. On March 30, referring to the decision of the National Command to Combat Corona to disinfect some cities, the government spokesman said: "The Ministry of Defense has taken responsibility for this work and parts of the provinces will be disinfected" and schools and universities will be closed in all cities of Iraq until April 4. On March 31, WHO experts announced the summary of their corona mission. In this summary, it was pointed out that the strategies and priorities of combating Corona are improving in the right direction and the collection team has been affected by the participation of other sectors of society in the fight against Corona and have a strong medical system and crisis management capabilities. It uses itself to respond to outbreaks. But much needs to be done, and in some cases agree to increase the volume of

¹⁹ Hitti, Joseph; Al-Khatib, Ahmed Shafiq, Hitti Medical Dictionary for the Pocket, p. 200.

²⁰ Marashi, Marashi Great Medical Dictionary, p. 250.

proceedings. More measures are needed to protect health workers. At the request of the Minister of Health and the head of the National Command to Combat Corona, Friday prayers were canceled on March 30 and working hours in government offices were reduced from April 1 in the governorates²¹.

The Iraqi National Petroleum Products Distribution Company announced on March 2 that it is essential that the refueling process and payment for fuel at all fuel stations be carried out by station employees and that disposable gloves be available to the public. Locals also had to constantly clean nozzles, dispenser number plates, toilet and disinfectants. The Management and Employment Organization announced in a March 4 post that in the current context of the coronavirus outbreak, remote work for executive staff is unhindered.

On March 6, Iraqi officials announced that 22 laboratories had been established to diagnose the coronavirus, and that the number would soon rise to 50. The central bank's measures to control the coronavirus included lifting the limit on transactions from one card to another, extending the expiry date of bank cards, and increasing the cash withdrawal limit. It is forbidden to distribute new banknotes, receipts and pay any cash in banks. As of March 13, eight bank employees had died from the coronavirus.

The Iraqi government used a policy of social distancing and home quarantine to meet Corona. The deputy health minister, although at the beginning of the crisis, said: "We do not agree with quarantine at all." "Quarantine is pre-World War I for plague and cholera." As the Minister of Health said on March 30: "We do not believe in anything like quarantine of cities and we do not consider this method scientific."

The quarantine policy has created problems in Iraq, where oil exports of more than three million per month have faced serious economic problems due to the sharp drop in oil prices, and the implementation of quarantine regulations has dealt a major blow to the Iraqi economy. It caused some people to go to mosques to receive charity food. Some quarantine governments have also confirmed the failure of this measure. For example, Pakistan's Information Minister Shibli Faraz said that Pakistan's economy cannot afford a full quarantine.

Elementary, middle and high schools have been on mid-term recess since February 16. The mid-year break was extended for an additional week and then another week. On March 18, all schools and universities in Baghdad were closed until further notice²².

The Cabinet discussed the repercussions of Covid-19 on the education system, students and the conduct of exams at all stages, and directed the Ministry of Education to prepare instructions on public and school exams, determine their dates, the bases for controlling them, the balances of their grades and their results for each academic stage.

The Cabinet also approved the adoption of the mid-year grade as a final grade for success in the general exams for the sixth grade of primary school for the current academic year (2019-2020), and allowing failed students to take the second round exams in all subjects in which they failed²³.

After the Minister of Health and Environment requested donations to support efforts to combat the Corona virus, the Central Bank of Iraq opened accounts in dinars, dollars and euros for the purpose of depositing donations from individuals and private and public institutions inside and outside Iraq. On March 24, the Central Bank announced that the

²¹<https://gds.gov.iq/ar/cabinet-discusses-measures-to-contain-covid-19-agrees-to-extend-curfew/>

²² <https://web.archive.org/web/20200515103838/https://www.nature.com/articles/446006a>

²³ <https://gds.gov.iq/ar/cabinet-approves-measure-to-allow-final-year-primary-school-students-to-graduate-based-on-half-term-exam-results/>

total donations (44 billion Iraqi dinars) to combat the Corona virus had been donated by a number of Iraqi banks and companies.

The United States Mission in Iraq announced that it had provided 30 coronavirus testing kits to the Iraqi government that were delivered to four Iraqi public health laboratories in Erbil, Baghdad, Najaf and Basra, which will enable the government to conduct tests on 2,724 samples. And 800 disinfectants, disinfectants and special containers to transport samples to Nineveh Health.

The Kurdistan Regional Government of Iraq announced that the total donations reached \$ 14,183,175 to combat Corona in the region, donated by a number of companies and the rich.

After the announcement of the first confirmed case in Iraq, the price of a package of medical masks increased from 2,000 dinars to more than 12,000 dinars, while the price of the N95 mask increased from 1,500 dinars to 10,000 dinars, as well as the quantities ran out and the market suffered from a lack of supply and high demand. The price of medical gloves increased from 5,000 dinars to more than 7,500 dinars. The price of a pack of medical alcohol (ethanol, isopropanol) increased from 2,000 dinars to more than 4,000 dinars, and the price of oxygen bottles increased. From 80,000 to more than 150,000 dinars, and a bottle regulator from 15,000 to more than 55,000 dinars.

In its second session, the Supreme Committee issued several decisions, including:

1. Excluding medicines, medical supplies, devices, diagnostic and laboratory tools from the conditions of the import license.
2. Transfer \$50 million to the General Company for Marketing Medicines and Medical Supplies for direct purchase.
3. Forming a committee to prepare a study of the market's need for foodstuffs, medical and agricultural materials with attention to the national product.
4. Facilitating the transit of trucks, carrying vehicles and refrigerators for foodstuffs, agricultural, health and veterinary materials between governorates and within cities.
5. Follow up and monitor prices, ensure that their prices do not rise, and hold violators accountable in accordance with the law.
6. Facilitating the movement of agricultural harvesters and the transport of sheep and livestock between governorates.
7. Forming a committee in the General Secretariat of the Council of Ministers to study the support of scientists in the private sector.
8. The committee discussed setting a day of solidarity and to support the national effort in confronting the Corona epidemic and the positions that embodied the spirit of unity and solidarity among its various sons and from all its spectrums, and as an expression of solidarity with the families of the injured and the deceased, during which sirens are sounded throughout Iraq and the national anthem are played in all Iraqi visual media and audio and by all other means.

The Council of Ministers had approved in its session held on March 26, 2020, the formation of a higher committee for national health and safety, and considering it the supreme authority concerned with combating the spread of the emerging Corona virus in Iraq, headed by the Prime Minister and the membership of a number of ministers, the Secretary-General of the Council of Ministers, the Governor of the Central Bank of Iraq, the National Security Advisor and a number of other officials.

The Cabinet authorized the committee to develop public policies and plans, supervise their implementation, and coordinate with the legislative and judicial authorities and

international parties related to combating the spread of the novel coronavirus epidemic.

The Cabinet also authorized the crisis cell to supervise precautionary measures and provide health services to citizens, provided that the cell submits its recommendations to the Prime Minister for approval²⁴.

2-Bank

Exchange language: selling gold for silver²⁵. The oldest form of banking dates back to Assyrian and Babylonian times. The evidence was obtained from this region that has the status of a check. The Hammurabi Laws also set rules for banking activities. Later, the Greeks and Romans also participated in banking activities in their temples and had innovations in this area. Banks have also been practiced in other parts of the world, including India and China.

The origin of the word bank came from the use of benches as exchange tables or counters during the Renaissance by bankers in Florence who traded and traded behind tables covered with green tablecloths. One of the earliest discoveries representing currency conversion activities is the Greek silver dirham, and it is from the ancient Greek colony of Trabzon in the Black Sea, present-day Trabzon BC, on display in the British Museum in London. This coin shows that a banking office was full of coins, and even In modern Greece, the word trapeze (Greek: Τράπεζα) means both table and bank.

The roots of banking in the modern sense of the word can be found in the Italian Renaissance and in its rich northern cities such as Florence, Venice and Geneva. In the fourth century, the Bardi and Peruvian families expanded banking in Florence by expanding branches in many other parts of Europe. Perhaps the most famous Italian bank is the Medici Bank, founded by Giovanni Medici in 1397. It became the first state investment bank. It was founded in Geneva, Italy in 1407.

Bank: It is an economic institution that performs tasks such as processing and distributing credit, credit operations, financial operations, buying and selling currencies, transferring funds, collecting documentary claims, customer profits, paying customer debts, accepting deposits, maintaining shares, securities and valuables for customers, and performing the duty of guardianship and guardianship of customers, which represent purchases and sales.

The tasks of the Central Bank are to issue banknotes, regulate the amount of money in circulation, hold precious metals and government-owned currencies, maintain the legal reserves and cash balance of commercial banks, establish credit facilities for commercial banks, settle accounts between banks, money changers and financial agencies for government banking operations, implement monetary policy and monitor the volume of credit. The bank is responsible for controlling the banking network and managing monetary policy. This bank activates other banks in order to provide services and coordination with the economy²⁶.

Bank Definition

Bank tariffs vary from country to country.

1-United Kingdom: According to English common law, a banker is defined as a person holding a banking position and his responsibilities are defined as follows:-

✓ Make existing calculations for customers

²⁴<https://gds.gov.iq/ar/covid-19-higher-committee-for-health-and-national-safety-announces-key-measures/>

²⁵ Al-Zubaidi, Taj al-Arous, vol. 12, p. 323.

²⁶ See: Al-Lawzi, Suleiman Ahmed, Zweif, Mahdi Hassan, Tarawneh, Medhat Ibrahim, *Banking Management*, p. 17.

✓ Collection of customer cheques

Banking is not defined in laws in many countries where English common law prevails, but is defined according to common law. In other areas of current English law, different legal definitions of the banking profession have been proposed. Given these definitions, it should be borne in mind that they define the banking profession for the purpose of legislating for it, not necessarily providing a general definition. In particular, most definitions are provided by legal authorities, who are more concerned with law enforcement and supporting banks than providing a definition and law for the true banking profession. But in many cases, its legal definition is an accurate reflection of common legal definitions.

2-USA: In the United States, the industrial banking industry is highly regulated, with very precise and far-sighted legislation. The OC banknotes are the first federal regulator of local banks, and the Office of Supervision of Supervision, or OTS, is the first federal regulator of savings.

Non-state banks are screened through state centers as well as FDIC. Local banks have a basic regulator, i.e. qualified brokers and auxiliary workers are modified by MAIC. Each center has its own set of rules and regulations that banks and reserve funds must follow.

The FFIEC's Board of Supervisors reported in 1979, as an interagency body empowered to define uniform rules and policies, on common federal practices for financial institutions, although the FFIEC established a higher degree of interagency adaptation. Amendment of rules and regulations is constantly changing. In addition to changing laws, changes in the industry led to the merger of the Federal Reserve, FDIC, OTS, MAIC, OCC. It has closed offices.

3_ Banking Resources

Standard Activities

Banks act as payment agents by executing customer checks or current accounts, which pay checks drawn on customer funds at that bank and collect checks deposited in customers' current accounts. Banks also pay customers through other payment methods, such as ACH, telecommunications, telegraph transfer, EFTPOS, and ATMs.

bases

Parent Topic: Banking Laws: Current commercial banks are regulated and established in most areas of legislation by institutions independent of the government and require special banking documents to manage them. Banking Law based on contractual analysis of the relationship between the bank and the customer. This law contains the rights and regulations in this regard, which are as follows:

- ✓ The bank account balance is the financial position between the bank and the customer. When an account has a balance, the bank owes the balance of that account to the customer.
- ✓ The Bank agrees that the Customer's cheques arrive at the account balance. No further accounts withdraw funds without a power of attorney from that client.
- ✓ The Bank may not withdraw funds from the Customer's account without the Customer's official power of attorney, such as a cheque drawn by the Customer.
- ✓ The Bank agrees to collect cheques drawn on behalf of the Customer as the Customer's representative
- ✓ The bank has the right to combine customer accounts because each account represents only one aspect of the same credit relationship.

✓ The Bank has the right to confiscate cheques drawn on the Customer's funds to the extent that the Customer owes the Bank.

✓ The Bank should not disclose details of transactions made through the Customer's account unless the Customer agrees, in which case there is a general duty to disclose, and the Bank's profits are required by law. The Bank shall not close the Customer's account for any reasonable reason because the payment of cheques in a normal commercial manner is delayed for several days, and in this way they are compiled and established under separate laws. Banking license requirements vary from region to region, but are generally as follows:-

- Minimum Capital
- Minimum Capital Ratio
- Suitable for accountants, owners, managers or senior bank staff
- Approve the banking plan as a wise and sufficiently acceptable loan.

A_Risk and capital

Banks face many risks in doing business, and how to manage and understand these crises and risks is a key strategy for profitability and the amount of capital the bank needs.

Types of capitalist banks

✓ Capital banks that subscribe (guarantee for sale) securities and bonds, trade in their accounts, create markets, and offer corporate capital market activities such as mergers and acquisitions.

✓ Commercial banks: For a long time there were banks that guarantee investment transactions, and their current definition refers to banks that provide capital to companies in the form of shares rather than loans. Unlike venture capital firms, they tend not to invest in new ventures.

B_Other types of banks

✓ Central banks: which are usually government-owned and managed by similar legal responsibilities; such as supporting commercial banks or managing cash interest rates in general; those that provide liquidity to the banking system and ultimately act as lenders in times of crisis.

✓ Islamic banks: Adhere to Islamic law. Forms of banking revolve around sound policies based on Islamic law, and all banking activities should avoid profit (interest on usury).²⁷

4- Islamic Economics

Proponents of Islamic economics generally describe it as neither socialist nor capitalist, but rather a "third way." An ideal method that does not have any of the disadvantages of the other two systems. The Islamic economic system aims to reduce the gap between rich and poor²⁸.

➤ Islamic Economics

Islamic economics emphasizes contentment and moderation in consumerism. In Western thought, economics considers human needs to be unlimited and the resources and possibilities available in the world are limited; but in Islam, unlimited resources and facilities are offered. The Almighty said: " **If you transgress the graces of God, you will**

²⁷ See: Jabr, Hisham, Introduction to Banking and Financial Sciences, p. 90.

²⁸ See: Beltagy, Muhammad, "Individual Ownership: In the Islamic Economic System", pp. 60-61.

not count them²⁹, " Islam considers the subject of the economy (based on human origin) as part of its set of laws that can only regulate a part of human life, and considers the solution of economic problems in reforming ideological foundations. And the moral of the people, the Almighty said: (And if the people of the villages believed and feared, we would have opened blessings from heaven and earth on them³⁰) that is, if they had followed the path of faith and piety, instead of tyranny, rebellion, denial of the signs of God, injustice and corruption, they did not get rid of God's wrath and punishment and withdrawn, but the gates of heaven and earth would have been opened to them. Unfortunately - they left the straight path that is the path of happiness, well-being and security, and they lied to the prophets, and ignored their reform programs, so we punished them for their deeds but they lied and we took them with what they earned³¹.

➤ *The position of Islamic economics*

In the interpretation and analysis of economic growth and development, adherents of classical, neoclassical, Keynesian and similar schools of economics expressed their own views on the design of the economic system. Examples include free-market classics, neoclassics in entrepreneurship, adherents of the Chicago School on the Role of Education, Proponents of Physical Democracy in Agriculture, and the School of Mercantilism in Export Surpluses; they provided valuable comments.

In order to regulate economic relations between human beings, aimed at meeting economic needs (or solving economic problems) and related to social justice, the Islamic religion has laid down general rules that are detailed in the economic chapters of Islamic jurisprudence.

➤ *Administrative characteristics of Islamic economics*

1-Justice

2-Reward

3-Healthy circulation of wealth at all levels and classes of society and non-monopoly.

4- Preventing cash flow from the economic cycle and the need to circulate it in labor and production

5-Multiple properties of private, public and state property

6- Work & Business

7-Moderation in consumption and abstinence from any extravagance

8-Meeting the needs of the disadvantaged, the needy and the beggars

9- In Islamic economics, any behavior that causes the essential purpose and wisdom of creation to not end is prohibited.

10-The government corrects and corrects economic behavior so that a person, group, or company conflicts with the lofty goals of Islam or interests of Muslims that are neither arranged nor used. t

11-Prohibition of injustice

12-Prohibition of the domination of fools and idiots

13-Prohibition of waste.

²⁹ Abraham: 34.

³⁰ Usages: 96.

³¹ Shirazi, Nasser Makarem. *Al-Amthal fi Tafsir Kitab Allah Al-Manzil*, vol. 5, p. 125.

➤ **Principles of the Islamic method of wealth distribution**

The principles of the Islamic way of distributing wealth are first and foremost the protection of social justice, the protection of people's rights, and the division of property into three parts (national, private, public). In this regard, it intersects illegal routes such as usury, and considers solving economic problems under laws such as the use of Islamic contracts. Some of these laws are mentioned in the chapters on speculation, cultivation, musakat, sale, rent, forgery, zakat, khums and so on.

➤ **Private Property:**

Status: The property of a thing is the jurisdiction of a jurisdiction that prevents non-owner from benefiting from it or disposing of it except through its owner with a power of attorney from him, for example, or through the street by establishing it on his behalf, so his owner had the ability to prevent others from disposing of it and benefiting from it except through him³².

Shariah: A legal ruling, legal ability, or legal description, estimated in the property or in the benefit, which requires that whoever is added to it can benefit from the property and compensate for it³³.

Section Three: Banking Resources

First Demand: Banking Activities

Subsection One: Financial Intermediation by Banks and Bank Accounts

The most prominent operations that take place in banks, whether national or foreign, are carried out through the embodiment of financial intermediation between owners of money, which is achieved through the capital market. Financial intermediation is a tool that connects the surplus and the deficit through the opening of bank accounts. From it we will divide this requirement into two branches: -

Financial Brokerage

It is necessary to control the concept of financial mediation and its types, as well as the nature of financial intermediation, and its importance in economic transactions.

Definition of financial intermediation: "Those bodies that allow the direct financing relationship between lenders and potential borrowers to be transformed into an indirect relationship, creating a new channel through which money passes from the financial surplus to the deficit holders."³⁴

Financial Brokerage Markets: The most prominent operations offered in the financial markets are: loan markets, money markets and financial markets:

First: Financial markets: divided into the primary market and the secondary market or the stock market. Financial market brokers carry out all necessary procedures in the operations of the stock exchange following the orders they receive from customers or banks, and the pricing may be stopped in the public auction through the pricing of values by meeting brokers around the speculative ring, and each of them shouts the value of the purchase or sale and is increased according to orders. Dispute pricing is a quieter method than the former and requires recording and matching different bid and ask prices to

³² "Monarchy: In Islamic Law with a Comparison with Man-made Laws, Their Meaning, Types, Elements, and Restrictions", p. 19.

³³ Ibid.: p. 20.

³⁴ Al-Taher, Latrash, Banking Techniques, p. 7.

determine the price at which buyers and sellers' desires meet. As for the new (initial) market, where trading takes place for first-time securities, i.e. the process of subscribing to shares and bonds issued by economic institutions or government institutions for the first time.

Second: The money market: It is a market in which banks and financial financial institutions meet, characterized by a short maturity period or a group of monetary and financial institutions dealing with money, as it is the center for dealing in cash assets.

Third: Loan markets: They are those markets in which loan operations and grants are held and are divided into:

Short-term loan markets

Medium-term loan markets³⁵.

The importance of financial mediation and its types: Financial mediation is a necessity, especially in today's economy, and the importance of financial mediation is more related to the parties to the financing relationship, and financial mediation has several different types that we will detail as follows: -

First: The importance of the existence of financial intermediation: The importance of financial mediation is for each party of the financing relationship, for those with a financial surplus, its importance is that the credibility of the financial intermediary is guaranteed, and the presence of financial mediation allows the owner of the financial surplus to obtain liquidity at any time he wants. Also, surplus money holders benefit from time and effort to search for borrowers and the constant possibility of accepting funds at any time. For those with financial deficits, financial intermediation provides a range of services to these categories of individuals, providing them with the necessary funds they require and allowing loans to be provided at relatively lower costs. The direct financing relationship leads lenders to charge high interest rates linked to the size of the high risk and the duration of the freeze of funds.³⁶

Second: Types of financial intermediation: There are two types of financial brokerage:

Monetary financial institutions: namely: the Central Bank and commercial banks, and their main task is to receive deposits, the most important of which is granting short-term loans or commercial loans, which depend primarily on money received from others in the form of deposits.

Non-monetary financial institutions: This does not mean that these institutions do not use money, but rather that the source of their resources is from private capitals, and from the time deposits on which most of their financing activities are based and are granted in the form of loans.

➤ **Bank account**

A bank account is an agreement between two persons, the depositor (customer) and his depositor (the bank), from which the definition of the bank account, its types and the most important operations that fall within it will be addressed.

First: Definition of bank account: The account is a translation or statement of what the person and what he has with the bank, which is the general meaning, but in the language of the law, it is the agreement of two persons, the customer and the bank, and the bank is a

³⁵ Bakraz, Modifies Farida, Banking Management Techniques and Policies, p. 107.

³⁶ Khababa, Abdullah, Banking Economics, p. 78.

legal person who orders that all the money handed over by each of them to the other is recorded for the benefit of the payer and the holding liability³⁷.

Second: Types of bank accounts: The accounts vary according to the customer's capacity and even the method of maintaining the account or the operations that take place through it, and we distinguish between two types of bank accounts that differ from each other according to the economic and legal nature, namely: -

Current Account: Defined as: A contract in which two persons commit to convert the rights and debts arising from the operations carried out between them into items that are credited to the account and contradict each other, so that the final balance at the time of closing the account alone is a debt payable.

Regular account or deposit account: This type of account is usually opened in general to non-merchant customers and even traders in order to carry out operations unrelated to the commercial activity carried out by the trader, for example, paying the check, buying securities and subscribing to shares, which usually does not require opening a credit from the bank.³⁸

Third: General rules for opening or closing a bank account: There are general rules common to all bank accounts, and in the context of talking about these rules, methods of opening and closing bank accounts will be addressed.

Subchapter II: Collection of deposits, money and operations on commercial papers

Money is the most important deposit that the bank receives from the depositor, as it helps it to carry out all operations and direct all types of banking activities, money due to the increase in its use, especially in the market economy, has become the main factor in various fields, especially economic. Therefore, the most prominent of these operations will be addressed through this request in two sections: -

➤ *Deposit collection and cash creation*

Definition of Money Deposit: Money deposit can be defined as: Money is money deposited by a person (natural or juridical) with banks, provided that the latter is obligated to return it to them upon demand or in accordance with the agreed terms.

The legal nature of the cash deposit contract: The jurisprudence differed about the legal nature of the deposit contract, some of them considered it a contract and then the rules of civil law apply to it, but this opinion was not accepted by jurisprudence due to the difference in the deposit contract from the rest of the other contracts, so that the cash deposit of the bank is free to dispose of it and to return it. Some of them considered the cash deposit contract to be a loan.

Types of cash deposits: These deposits vary into: demand deposits, advance notification deposits, time deposits, savings deposits and credit deposits.

Deposits on demand: It is the one that the depositor may withdraw at any time and without prior notice, and he may withdraw in whole or in part, which is the most commonly used and common in economic transactions, and it is known that such deposits do not grant interest on them.

Time deposits: Here the time factor is important in such deposits so that it is agreed between the depositor and the depositor that the amount remains in the account is linked

³⁷ Al-Qazwini, Shaker, Lectures on Banking Economics, p. 79.

³⁸ Al-Taher, Latrash, op. cit., p. 17.

to a certain period, so that he cannot withdraw either in whole or in part until after the expiration of the agreed period with a notification to the bank of the date of withdrawal.

Savings deposits: They take the form of sukuk and are issued by banks to encourage savings with certain amounts recovered on a specific date. It is considered as a saving and saving process, it may remain for long periods in the bank that its owner cannot withdraw until after the expiry of the period, and therefore the issuance of sukuk by banks within these deposits is subject to a special system distinguished by rules and provisions aimed at encouraging and controlling them.

Credit deposits: It is the result of opening a credit account and carrying out lending operations, so it is a written deposit in the sense that once the movements of money within banks are registered, credit deposits are calculated³⁹.

The importance of cash deposits: The cash deposit is of great importance, especially in the eyes of individuals, institutions and even the economy as a whole, as it allows individuals to achieve their goals of liquidity and profitability. It also contributes to the investment of money for some and contributes to covering the deficit of some for others.

➤ *Sukuk and securities deposit contract*

Due to the difference and large number of commercial transactions in particular, it has become common in the use of instruments and securities, which requires preserving them from loss or theft. Thus, he can obtain the rights resulting from them without bothering to manage them, and the most prominent of these operations are: -

First: Sukuk deposit contract: This contract of land contracts takes place as soon as the bank and the customer agree without any specific formality, and from it the definition of the sukuk deposit contract and its legal nature will be addressed.

Definition of Sukuk Deposit: Sukuk Deposit is defined as: an agreement whereby the Bank receives financial instruments from the customer to maintain them and perform the duties that it requires and return them to the customer itself upon request, in return for a deposit receipt delivered to the customer including all data related to the deposited instrument in terms of its type, number and all documents attached to it, and the bank may not use the rights arising from the deposited instrument except with the consent of the customer.

The legal nature of the sukuk deposit contract: Jurisprudence differed about the legal nature of this contract, some of them considered it just a composite contract, as it is a combination of two different contracts, the deposit contract and the agency contract, it is a deposit contract because the bank is committed through it to save the instruments deposited with it from the risks of theft and loss. In the event of a dispute in respect of this contract, the judge is obliged to check the obligations of the parties in order to determine which of the contracts is the main for the application of the appropriate legal provisions⁴⁰.

Second: Operations on commercial papers: Securities represent an amount of money, as they are a tool for payment, and it is also a tool for credit such as Al-Safthja, the bond to order and the check, and it is also a tool for settling transactions.

Definition of commercial papers: formal instruments that represent a monetary right, negotiable by commercial means, and they are due upon sight or after a short period of

³⁹ Salem, Zainab, Criminal Responsibility for Banking Business (A Comparative Study between Egyptian and Algerian Legislation, p. 15.

⁴⁰ Tarawneh, Bassam Hamad, Bassem Muhammad Milhem, Explanation of Commercial Law, Commercial Papers and Banking Operations, p. 406.

sight, and finally, custom allows them to be accepted as a tool for credit or payment.

Subchapter II: Types of Banking Resources

First: Types of banking resources in conventional banks

Banks make money from retail customers, people, as well as from merchants, department stores, retail outlets, restaurants, etc. They charge interest on the loans they make to customers, as well as account service fees. They make money from merchants every time a customer uses a debit or credit card at their workplace, and bank fees in business transactions are usually called an exchange fee. Below we will briefly mention the resources from which profits are made in conventional banks:-

1. Profit from net interest margin

Customers place deposits in banks, and banks usually use most of these deposits to provide loans (home, cars, students, etc.) to other customers. These loans have interest rates associated with them that customers need to repay in order to get the loan in the first place. This means that the money earned from these loans is income for the bank, and some of that money earned is refunded to customers in the form of interest within savings accounts, especially accounts where the funds have been frozen and the customer is accepted to earn from them. Profits, which are interest. The money held by the bank is considered the net interest margin, in other words the difference between the amount a bank earns on its loans against what it recovers to customers is the net interest margin. Various banks rely on interest rates to make gains from lending money to retail and merchant customers, and they also rely on people with accounts with frozen funds for a predetermined interest rate⁴¹.

2. Make money from credit cards

When people don't pay their credit cards in full, interest is charged on the balance on them. The annual interest rate that people pay for credit cards can range anywhere from 0% to 25%. The money (or interest) that banks make from these unpaid credit cards is another example of loans lent by customer deposits, making money from these deposits, paying some of that money into customers' savings accounts, and collecting the remaining amount. And when you use a credit card Or a discount to buy something from a store, that store usually has to pay a so-called exchange fee. Most of the interchange fees go to your bank, others go to the store's bank, and the exchange fee covers the cost of processing credit and debit transactions. Exchange fee rates are determined by credit card companies, and among other factors interchange fee rates can vary depending on the service provider, but the way they are regulated is to be a percentage of transactions plus a fixed rate. For example, if the exchange rate is 2.00% + \$0.10, and someone buys a \$100 item, the total exchange fee the store will pay will be \$2.10. The store will get \$97.90 from the actual purchase and the \$2.10 exchange fee goes to the bank that provided you with the credit card. In the past few years, companies have been struggling to lower interchange rates and have had some success in putting an end to interchange fees on debit card purchases⁴².

3. Make money from fees

Most people are familiar with bank fees, as banks find ways to make money through this method. With many traditional banks, your savings or savings account agreement will include a long section outlining all the ways in which fees and penalties are charged to you. Some of the common fees and fines include: monthly service fees, minimum deposit limits, withdrawal penalties, ATM fees, overdraft fees, and foreign transaction fees. Some

⁴¹ Al-Tohamy, Abdel Moneim Ahmed, Finance: Introduction to Financial Institutions and Markets, p. 90.

⁴² Hanafi, Abdel Ghaffar, Abd al-Salam Abu Qahf, Organization and Management of Banks, p. 150.

of the most common fees that people are exposed to are hardware fees ATMs and overdraft fees. ATM fees have reached a record high for the 14th consecutive year. In addition, the average overdraft fee has increased almost every year over the past twenty years⁴³.

Second: Types of banking resources in Islamic banks

Islamic banks work in the field of financial and banking transactions, and this requires them to finance and invest through trading, murabaha, speculation and participation in order to achieve their developmental role in society. In order for these banks to exercise their role efficiently and effectively, they must have the financial resources that help them to do so, in the appropriate quantity and type, and therefore they must have their own resources represented in their capital, reserves and provisions that they may withhold to face certain risks, in addition to the external resources that The Bank seeks to accumulate and increase their balances and types through multiple deposits systems (current, saving, savings or investment).

Managing Own Resources (Equity) at the Islamic Bank

First: The concept of property rights:

Equity means the financial resources available for investment in the financing structure of the budget owned by the bank, which are the sources on which the Islamic bank relies at the beginning of its life, then its role continues with the expansion of its activities and operations, and begins with the bank's capital, then in addition to the profits withheld and the reserves of various kinds, in addition to the provisions that may be agreed upon. The presence of equity is an important factor when calculating cost and return. It is known that the availability of some amount of capital leads to a decrease in the bankruptcy or insolvency rate of financial units operating in society. This is in addition to the better opportunities provided by appropriate capital in long-term investment, which may be difficult to finance through external sources of financing, especially at the beginning of the Bank's activities. It should be noted that the relative weight of equity in Islamic banks compared to total resources has reached about 7%, and of course this figure is close to the prevailing average in conventional banks, where the ratio of equity to total resources in the largest hundred Arab banks according to the figures of 1988 to 9.7% and about 5.6% in the largest thousand banks in the world on the same date.⁴⁴

Second: Elements of Property Rights:

Capital: Capital is the focal point of any project, through which the real life of the project begins. Capital is what the owners of the project own and start financing its operations, whether it is an individual project or a company, and capital for the Islamic Bank is a participation, insurance and cover, it represents the main source of funds necessary to start investing and represents protection, safety and confidence for depositors, as the ratio of capital to deposits affects the amount of risk that can be Islamic banks rely mainly on their capital, which they invest directly in productive projects with a large and long-term economic and social return. Many authors emphasize that sufficient capital is available in the bank, as this is essential to start recruiting safely. Studies have found that the size of equity in the bank is an exponential variable that can be used to maximize the return on investment, and that the maintenance of appropriate capital strengthens the bank's position in the financial markets, and avoids many risks, as the advantages that the bank avoids from employing deposits usually collide with the limits set by the authorities. Cash in the country such as statutory reserve ratios, liquidity and credit limits.

⁴³ Al-Hawari, Sayed, Banking Management, p. 90.

⁴⁴ Abdul Karim, Muhammad Abdul Aziz, Bank Accounting, p. 50.

Fourth topic: The relationship between the Corona pandemic and banking resources**The first requirement: the impact of the Corona pandemic on the global banking sector**

The outbreak of the novel coronavirus (COVID-19) has sparked an economic downturn globally, putting many pressures on the banking sector, amid expectations that many households and businesses will face difficulties meeting their financial obligations in the coming months, especially with rising unemployment rates. The World Bank predicted that the rapid and strong shock of the virus will cause a contraction of 5.2% in the global economy, especially with the adoption of lockdown measures at the global level, representing the most severe recession since World War II, likely to contract economic activity in advanced economies by 7% in 2020 due to severe disruptions that hit the domestic demand and supply sides, trade, and finance. As a result, securities, loans, and derivatives portfolios are likely to face several pressures on banks as well. The six major banks on Wall Street reported sharp declines in profits in the first quarter of this year, driven by large provisions for loan losses. Among the most prominent obstacles that banks will also face are the fears of governments making their debt payments, in light of the repercussions of the virus crisis on the authorities, as well as the economic contraction and the deterioration of many government resources such as taxes and the tourism sector, with declining consumption rates. In the aftermath of the 2007-2008 financial crisis, policymakers improved guarantees that mitigate opportunities for instability in the banking system, contributing to the banking system's resilience to the crisis, but the economic fallout from the coronavirus prompted regulators to erode bank capital requirements during the coronavirus crisis, and changes in regulators allowed banks to pay more capital to shareholders and move forward with very low levels of capital. Moody's Ratings expects global banks' second-quarter profits to be affected by the coronavirus and the collapse in oil prices, suggesting that deteriorating profitability and asset quality are likely to lead to short-term pressure on banks' capital. With banks around the world reporting second-quarter results in the coming weeks, the agency expects the impact of the coronavirus shock along with the collapse of oil prices to be reflected in those results, likely to increase credit costs, weaker new lending opportunities, and shrinking profit margins. As most of the world's major banks begin to report their earnings, we expect some wide variations from bank to bank, especially given the impact of the global coronavirus.

The universality of the Islamic economic system and its role in the international system

Although Islam considers the purpose of creation to be the spiritual development of man, at the same time it pays special attention to economic and material issues; as explicitly stated in the Qur'an⁴⁵, therefore, according to this set of verses and narrations, it turns out that Islam has paid special attention to the economy and livelihood of people. Forbiddenly leave him. Islam criticizes the existing school of capitalism and socialism, and this leads Muslims to expect Islam to have a certain economic system to regulate its life. Economic. Therefore, we Muslims and believers in Islam believe that Islam has a special and independent economic school, which in addition to eliminating the shortcomings of the socialist and capitalist schools, has advantages over other schools in terms of Islamic framework, heavenly relationship and harmony with all human beings, has a material and spiritual path.

The difference between "science", "school" and "economic system"

"Science" is a growing organ of knowledge. The way in which appropriate methods are developed is expressed in an accurate sense and is addressed by the scientific activities of

⁴⁵ Stories: 77.

society. Science should be considered as certain conclusions about material and spiritual phenomena and their true relationship to human consciousness. A fundamental feature of scientific knowledge is that it is legal; it is a collection of information organized according to certain theoretical principles. A collection of illegal knowledge is not yet a science. Therefore, in general, knowledge and epistemology include science, science. In the literal sense it is the systematic acquisition of new knowledge about nature, which is obtained through certain methods and the purpose of which is to establish a constant relationship between phenomena. The economy can be thought of as a set of measures that coordinate unlimited human needs with limited necessary means. In other words, economics is the optimal allocation of limited resources for unlimited needs. The economic system is: a continuous and regular set of elements that serve to evaluate and select in the field of production, distribution and consumption for maximum success. However, the Islamic economic system can be considered a set of arrangements, frameworks and institutions that determine the general direction of economic affairs and how to coordinate the necessary in accordance with the objectives and principles of the Islamic school. Or it can be considered a private organization that defines the general economic framework, including ownership limits and resource allocation in line with Islamic principles⁴⁶.

Components and characteristics of Islamic economy

Some people believe that economics is essentially one fact. Economics is a fact that gives an answer everywhere. Some also believe that jurists derive Islamic economics from the primary sources available to them. Therefore, when this category of people we mean Islamic economics, which is, firstly, a science, because it discusses a fact, secondly, economics, because it also discusses other schools, and thirdly, it is Islamic, because it is. Based on Islamic teachings. But others also believe that Islamic economics is a set of scientific knowledge that we either possess or should acquire. In this way we can also use the knowledge that exists in the West. It first seems that economic jurisprudence is considered wrong rather than economics, because jurists derive economic ijtihad from the primary resources available to them and not the economy. Secondly, the perception of this group of people differs from the common definition of science. As stated in the introduction to the article, science is something that explores facts and relationships between variables and phenomena. Also, as mentioned, when we talk about economics in Islam, we mean the same school of economics and not economics. Because the task of religion is not to go into details, but religion only determines the general path for us. We also believe that while the two schools (Islam with capitalism and socialism) are independent of each other, different schools can influence and enrich each other. Therefore, we cannot say that Islamic economics accepts its word and accepts other opinions. Economics is a social science and studies human behavior in the field of economics⁴⁷.

Subchapter I: Manifestations of the banking crisis due to the Corona pandemic

Here we address a number of topics related to the crisis, most notably: the roots and manifestations of the crisis, the link between the crisis and the capitalist system, the similarities between this crisis and previous crises, the effects of the crisis at the global level, the role of banking institutions in reducing its effects, and its impact on the Iraqi economy.

First: Definition of the banking crisis

It is the default of companies and financial sectors as well as financial institutions and companies and find it difficult to pay their contracts. As a result, overdue receivables and

⁴⁶ Hamed, Ahmad Ishaq al-Amin. Islamic Investment Sukuk, p. 29.

⁴⁷ Al-Hiti, Caesar Abdul Karim. Islamic Investment Methods and their Impact on Financial Markets, p. 6 .

most or all of the banking system capital is emptied. This is possible with a sharp decline in asset prices such as stock and housing prices, a sharp rise in interest rates and a slowdown or reversal of mobile capital flows be. Sometimes a banking crisis begins with an attack on one or more banks to withdraw deposits, but the crisis extends to the entire banking system. Therefore, a banking crisis is a different system from a particular bank crisis. Banking crises are usually characterized by the following two characteristics:-

1. Major problems in the banking system such as rushing to withdraw money from the bank, severe banking network losses and bank bankruptcy
2. Government intervention in the face of losses of the banking network

In order to provide a quantitative measure by which we can identify banking crises let's use this method. If the loan default rate is more than 20% of the total loans or more The first condition is the bankruptcy of 20% of the banking network. Whenever the cost of government intervention for reform If the loss of the banking network is more than 5% of GDP, we consider that the second condition must be met. when there is an attack to withdraw the deposit; in a way that leads to the closure of Or the merger or acquisition of that bank or institution financially, other financial institutions or the government, we are in crisis. This difference in parameters causes different researchers to consider the number of crises to be different ⁴⁸.

Second: The roots of the banking crisis due to the Corona pandemic and its manifestations

American history is full of banking crises. In the nineteenth and early twentieth centuries, an onslaught of frequent withdrawal of deposits from banks. With the introduction of the deposit insurance system, this phenomenon declined in the thirties. Between 1970 and 2007 there were approximately 124 banking crises. Given the financial crisis of the twenty-first century, if any expanding the number of banking crises for 2011. From 1800 to 2008 for 66 countries, the number of banking crises reached 268. In this long period, developed countries and countries have faced the phenomenon of a banking crisis equally with low incomes. It is worth noting that the pace and severity of the crisis has grown banking services since the seventies. One of the most important reasons is that witness in this period of time we have witnessed many fluctuations and changes in the global economy. The depth of the banks has also caused the banking crisis to have a deeper impact on GDP. Financial and economic liberalization with 3 conditions Appearance and publicity The institutional environment was not very strong, resulting in a lack of wealth Banks face risks they have never faced before. On the other hand, developments in health due to the Corona pandemic have affected the external economic environment, affecting the occurrence of this crisis and its extension to the rest of the world. With the intertwining of global financial markets and their link to each other, and the financial and banking markets in developed countries being mainly and directly affected by events, the signs of this crisis and its repercussions on the financial markets in the economies of emerging countries began to appear, after which it turned into a global financial and economic crisis that affected all the world's economies directly and indirectly in varying proportions, varying in severity from one country to another. The extent to which each country is affected by this crisis depends mainly on their productivity, the degree of their exposure to the outside world, the diversity of their export markets, and the quality of the investments made in them. The country that is characterized by the diversity of its productive base, and the degree of its exposure to the outside world, and the investments received are characterized by direct and long-term investments, and foreign investments, and its investment climate is stimulating and attractive, the impact of the crisis was much less

⁴⁸ Shehata, Abdullah, The banking crisis: concept and causes. See:

Whoa.whoa.who.pidegypt.org/download/forum/azma.doc

than the rest of the countries where these data are not available.

Section Two: Effects of the Global Banking Crisis Due to the Corona Pandemic

According to the IMF in its latest edition of the World Economic Outlook, the International Monetary Fund announced a reduction in the global economic growth rate by 3% this year (2020) due to the outbreak of the Corona virus and the suspension of many economic activities. In its 2020 Economic Outlook, the organization expects a "slight" improvement next year, estimating global economic growth at 8.5 percent; of course, this forecast is said to have a "very high" degree of uncertainty, depending on the situation. Caused by the coronavirus pandemic, the results could be much worse. This year's recession will be unprecedented since the Great Depression, the agency said, adding that the pandemic "plunged the world into an unprecedented crisis." She said prolonging the outbreak was a test of the ability of governments and central banks to control the crisis. Gita Gopinath, chief economist at the IMF, said: "The global economic recovery in 2021 is negligible because estimated economic activity is lower than previously expected before the virus hit." In the best-case scenario, the world would lose a total of \$9 trillion over two years due to declining production, he said. A figure equivalent to the GDP of Germany and Japan. The expected recovery for 2021 is only a partial recovery because the level of economic activity is expected to remain below the level indicated by our previous forecast for this year, before the virus takes its hit. The cumulative loss in global GDP over 2020 and 2021 due to the pandemic crisis could be around US\$9 trillion, larger than the economies of Japan and Germany combined⁴⁹. According to the IMF, the disease peaked in many countries in the second quarter of the year and declined in the second half of this year; the organization said that as the pandemic continues to spread in the third quarter of this year, one should expect another 3% contraction of the global economy due to bankruptcy and long-term unemployment. According to these projections, if the second wave of the disease enters in 2021, it could lower global GDP and keep the world in recession for the second year.

The second requirement: the impact of the Corona pandemic on banking resources in Iraq

The impact of the Corona virus (COVID-19) on the banking sector in Iraq, which prompted the government to form a program consisting of mechanisms aimed at reducing the burdens of fluctuating cash flows and enabling it to grow during the coming period and contribute to supporting economic growth and maintaining employment in the private sector, in order to mitigate the effects of precautionary measures to combat the Corona virus on the small and medium enterprises sector. Iraqi banks interacted with the data of the private sector financing support program announced by the government, which largely targets small and medium enterprises, and communicated with their customers for implementation, and the financial soundness indicators of the banking sector are still strong and solid, whether in terms of the capital adequacy rate, which amounts to 4.19, and all these financial indicators and others, confirm the strength of the banking situation and the safety of the precautionary measures and measures taken by the Ministry of Finance and Iraqi banks and banks in mitigating the effects and repercussions of the Corona virus. Possible negative: In the following, we will review the impact of the Corona pandemic on the Iraqi banking sector through two sections: -

The serious financial repercussions of the Corona pandemic on the Iraqi banking sector

1- The Iraqi banking sector before Corona

The Iraqi banking system went through several stages starting from 1867, so it was older. A bank known in Iraq is the Ottoman Bank, then the Iranian Shah Nashah Bank and the British Eastern Bank, and then the stage of national Iraqi banking began in 1935, which

⁴⁹ IMF Report, 2019. See: <https://www.imf.org>

witnessed the establishment of the Agricultural Industrial Bank, which split after 1940 into two banks: the Agricultural and Industrial Bank. After that, specifically in 1941, Rafida in Bank was established as the only commercial government bank, then the Central Bank of Iraq in 1947, then came the Real Estate Bank in 1948, the Cooperative Bank, the Mortgage Bank and many Iraqi private banks.

Today, Fischer The official website of the Central Bank of Iraq indicates that the number of local and foreign banks operating in the country is 78, including 7 governmental and 45 private banks, as well as 17 branches of foreign banks operating in the country. Proceeded Iraq in 2004 adopted the Banking Act No. 94, based on the market economy methodology, the interest rate was liberalized, credit schemes were cancelled and foreign banks were opened to operate, whether by participating in local banks or opening branches, as well as facilitating the law for the transfer of funds and the release of freedom of external transfer, except for those related to the requirements of the laws on combating money-laundering and terrorist financing.

Despite all this, a high number of Iraqis do not have a bank account, for several reasons, perhaps the most prominent of which is the lack of trust of citizens in banks as well as the discouragement of the state to deal with them.

2- The Iraqi banking sector after Corona

In view of the special and new circumstances that Iraq is going through due to the Corona pandemic, the confusion of visions and the difference of opinions regarding the reality and activity of Iraqi banks in the current circumstance, the effects of events and instability in the work environment, and because banks are the first basic link in the national economy, we must clarify by analyzing and evaluating the business results of banks 2020 and the financial indicators that confirm that they have faced many challenges and obstacles to work, and we will try to address them and according to the available data and our view of overcoming them and the requirements in order to achieve stability and sustainability of banking work In accordance with the strategy of the Central Bank and the applications of monetary policy and maintaining the results of the achieved business, even if the minimum if the current conditions continue. The structure of the banking system currently consists of 7 government banks, 76 commercial and Islamic banks, 25 commercial, 27 Islamic and 17 branches of a foreign bank.

Fifth topic: The problems of the Corona pandemic on banking resources in Iraq and ways to solve them from the perspective of Islamic economics

The problems of the Corona pandemic on banking resources in Iraq

The research methodology was as follows:-

✓ The researcher adopted the descriptive approach when searching for the effects of the financial statements of the direct Iraqi banks for this crisis, as this was done through the analytical approach for the first half and quarter of the year 2020 compared to the first half and first quarter of 2019, where the items of net profitability and income, net income from operations, provision for credit losses, and the most prominent figures in the balance sheets of the banks sample of the study were compared.

✓ The place of research in Iraq, and the time of research during the first half of the year 2020 AD, and the study sample consisted of two banks: Rafidain Bank and Al-Rasheed Bank, and the study population is made up of local Iraqi banks licensed by the Central Bank of Iraq, and the reason for choosing this sample of banks is due to the fact that it was one of the first banks to publish its financial statements at the end of the first half of 2020.

Study of the impact of the Corona crisis on banks Sample:**1. The impact of the Corona pandemic on Rafidain Bank:**

Rafidain Bank's profits decreased to KD 1119 million by the end of the first half of 2020 by 35% compared to KD 1720 million realized during the same period of 2019.

Table (1) Summary of Semi-Annual Financial Results (Million Dinars) of Rafidain Bank⁵⁰

Change	First half 2019	First half 2020	Item
0.5%	2,570,47	22,584,06	Net commission income for special
2.6%	3,429,11	3,516,97	Operating income
35.0%	1,720,46	1,118,87	Net Income
0	1,205,36	1,205,36	Average number of shares
35.0%	1.43	0.93	Earnings per share (JOD)

The bank indicated in its clarification that the reason for the decrease in profits during this period compared to the same period of the previous year is due to:

- ✓ Total operating expenses increased by 56.60%.
- ✓ Provision for losses on the value of other financial assets in addition to salaries and expenses of employees, and a partial decrease in fee and commission income.

Table (2): Summary of Quarterly Financial Results (Million Dinars) of Rafidain Bank⁵¹

Change	Second Quarter 2019	Second Quarter 2020	Item
0.1%	1,297,53	1,296,83	Net Special Commission Income
3.1%	1,706,43	1,760,03	Operating income
45.6%	803,63	436,80	Net Income
0	1,205,36	1,205,36	Average number of shares
45.6	0,67	0,36	Earnings per share (JOD)

The bank indicated in its clarification that the reason for the decrease in profits during the quarter in 2020 compared to the same quarter of the previous year is due to: -

- ✓ Total operating expenses increased by 70.60%
- ✓ Increase in provision for credit losses, increase in provision for losses of value of other financial assets in addition to salaries and expenses of employees.
- ✓ Partial decrease in fee and commission income.
- ✓ Total operating expenses increased by 26%.

⁵⁰ The data of this table was obtained through the Tadawul website, which specializes in buying and selling shares in iraq/ir.com.todawel.www://https and through Arqaam website. Date of visit: 2-2-2021.

⁵¹ The data of this table was obtained through the Tadawul website, which specializes in buying and selling shares in iraq/ir.com.todawel.www://https and through Arqaam website. Date of visit: 2-2-2021.

✓ Increase in provision for losses on value of other financial assets and other operational, general and administrative expenses, and a partial decrease in fee and commission income.

Table (3): Summary of the main balance sheet figures (in million dinars) of Rafidain Bank⁵²

Change	Second Quarter 2019	Second Quarter 2020	Item
8.2%	186.58	201.95	Assets
2.9%	142.23	138.05	Currency Deposits
9.3	124.23	135.75	Loans

The impact of the pandemic on the provision for credit losses Rafidain Bank: -

✓ The provision for credit losses for the three-month period ended 30 June 2020 amounted to IQD 634 million, compared to IQD 200 million for the same period last year, and compared to IQD 398 million for the three-month period ended March 31, 2020.

✓ The provision for credit losses for the six months ended 30 June 2020 amounted to IQD 032.1, compared to IQD 344 for the same period last year.

2. The impact of the Corona pandemic on Rasheed Bank:

The profits of "Al-Rasheed Bank", which is considered the largest Iraqi bank in terms of assets, decreased to 4922 Iraqi dinars by the end of the first half of 2020, by 10% compared to the profits of 5461 Iraqi dinars achieved during the same period of 2019.

Table (4): Summary of the semi-annual financial results (in million dinars) of Rasheed Bank⁵³

Change	Second Quarter 2019	Change Second Quarter 2020	Item
3.0%	7.661.51	7.498.81	Net Special Commission Income
0.7%	10.001.22	10.071.00	Operating income
9.9%	5.461.13	4.921.93	Net Income
0	3.000.00	3.000.00	Average number of shares
9.9%	1.82	1.64	Earnings per share (JOD)

The Bank explained that the reason for the decrease in profits during the current period compared to the same period of the previous year is due to: a decrease in investment income, an increase in other operating expenses, and an increase in total operating expenses, including the provision for credit losses by 5.18%, due to the net impairment provision for expected credit losses, depreciation/amortization of property, equipment, programs, and the right to use assets.

⁵² The data of this table was obtained through the Tadawul website, which specializes in buying and selling shares in Iraq/ir.com.todawel.www: //https and through Arqaam website. Date of visit: 2-2-2021.

⁵³ The data of this table was obtained through the Tadawul website, which specializes in buying and selling shares in Iraq/ir.com.todawel.www: //https and through Arqaam website. Date of visit: 2-2-2021.

Table (5): Summary of Quarterly Financial Results (Million Dinars) of Rasheed Bank⁵⁴

Change	Second Quarter 2019	Change Second Quarter 2020	Item
0.7%	3,907,43	3,881,90	Net Special Commission Income
5.6%	5,050,41	4,765,75	Operating income
22.3%	2,985,59	2,087,73	Net Income
0	3,000,00	3,000,00	Average number of shares
22.3%	0,90	0,70	Earnings per share (JOD)

The bank indicated in its clarification that the reason for the decrease in profits during the current quarter compared to the same quarter of the previous year is due to: -

- ✓ A decrease in total operating income, and an increase in total operating expenses.
- ✓ Higher net impairment provision for expected credit losses.
- ✓ Decrease in net special commission income and investment income.
- ✓ Increase in total operating expenses including credit losses by 9.12%.

Table (6): Summary of the main balance sheet figures (in million dinars) of Al-Rasheed Bank⁵⁵

Change	Second half 2019	Second half 2020	Item
16.9%	476,59	557,31	Assets
16.2%	327,40	380,40	Currency Deposits
15.1%	274,83	316,30	Loans

The impact of the pandemic on the provision for credit losses in Rasheed Bank: -

- ✓ The bank clarified in its clarification that shareholders' equity (excluding minority rights) at the end of the period amounted to 09.73 billion dinars, compared to 25.66 billion dinars as at the end of the same period of the previous year, an increase of 10%.
- ✓ The net impairment provision for expected credit losses during the current quarter amounted to 828 million Iraqi dinars, compared to 325 million Iraqi dinars for the same quarter of the previous year, an increase of 155%.
- ✓ The net impairment provision for expected credit losses during the current period amounted to 828 million Iraqi dinars, compared to 396 million Iraqi dinars for the first quarter of this year of 109%.
- ✓ The net impairment provision for expected credit losses during the current period amounted to 224.1 million Iraqi dinars, compared to 470 million Iraqi dinars for the same period of the previous year, an increase of 160%.

⁵⁴ The data of this table was obtained through the Tadawul website, which specializes in buying and selling shares in Iraq/ir.com.todawel.www: //https and through Arqaam website. Date of visit: 2-2-2021.

⁵⁵ The data of this table was obtained through the Tadawul website, which specializes in buying and selling shares in Iraq/ir.com.todawel.www: //https and through Arqaam website. Date of visit: 2-2-2021.

The second requirement: ways to solve the problems of the Corona pandemic on banking resources in Iraq

Sukuk are good instruments that can be a good alternative to bonds. Sukuk are Islamic securities that, by involving a particular physical asset and concluding Islamic contracts, provide the required resources according to interest-free banking.

A. Standard Parallel Futures Contract

It is a contract under which the supplier sells a certain amount of the underlying asset based on the specifications of the forward contract in cash to be delivered to the buyer during the delivery period. In this type of contract, the underlying asset must first be offered on the primary market to be traded by buyers. Buyers can then settle the contract in the secondary market as standard parallel futures contracts by settling a contract with the seller."

B- Islamic Sukuk

Sukuk is an Islamic financial document, similar to Western-financed bonds that comply with Islamic Sharia. The issuance of securities (sukuk) in accordance with the provisions of Islamic Sharia is one of the most important achievements of Islamic banking and finance and one of the most prominent tools for Islamic economic development, provided that all mechanisms follow the basic principles that distinguish them. Islamic Economics From other economies in the capitalist system prevailing in the world today, for large projects that require significant capital and also generate huge profits or income, they issue documents on The basis of bonds is interest-based, and the owners of these documents are only interest-bearing creditors. They are not the owners of these projects and have no share in the ownership of the projects or in the profit or income from them, and they receive only the interest that is commensurate with the interest of the money market, whereas Islamic money instruments are somehow designed so that bondholders are generally present in the real activities of the economy, and the profits of these activities are distributed among bondholders after deducting operating costs ⁵⁶."

C. Ijara Sukuk

Ijara Sukuk is based on the principle of sukuk (securitization or securitization), which is intended to issue negotiable securities, based on an investment project that generates income. The purpose of Ijara Sukuk is to convert the objects and benefits to which the Ijara contract relates into securities (Sukuk) on which exchanges can take place in a market defined as "bonds of equal value, representing secondary common shares. Accordingly, in the ownership of objects or benefits with income⁵⁷. Among its types: leased property instruments, service deeds, and utility instruments. Among the most important features of Ijara Sukuk are the following:

- Medium, long-term, and low-risk.
- Tradable in the financial markets.
- Used in financing major projects.
- Availability of the advantage of owning the project at the end of the contract.
- Central banks can use them in open market operations just like them

⁵⁶ The Islamic Fiqh Academy in its fourth conference in Jeddah from 18–23 Jumada II 1408 AH.

⁵⁷ International Islamic Fiqh Academy, Fifteenth Session, 2004.

Like debt securities.**d. Murabaha Sukuk**

The issuance of Murabaha Sukuk is possible only in the case of the primary market, especially in the case of a large value of the asset or project subject to Murabaha (an airplane, for example, or a large development project), while trading them in the secondary market is contrary to Sharia, because the sale of Murabaha may be deferred, it is considered a debt, and the sale of debt is not permitted by jurists. Such as lease, share, or borrowing contracts, for example

E- Istisna'a papers

Securities are registered and transferable, and the bearer is the joint owner of the underlying assets of the Istisna'a contract, and companies, government institutions, credit institutions, municipalities, joint stock companies, cooperatives, non-governmental public institutions and institutions can issue Sukuk - Isa Istisna'a Finance - Istisna'a bonds (building order) can be considered as securities issued by the publisher based on the construction order contract and will pay an amount to the originator (contractor) for the creation of an asset.

F- Mudaraba Securities

Securities with a name designed on the basis of the Mudaraba contract, and they are divided between them and the owners of securities on the written securities, and the holder of the securities and the issuer shall have the role of agent of the Mudaraba contract.

How can the Islamic financial system be a safety valve for the crises of the Iraqi banking sector?

Financing for investment in trade and production, based on profit and loss sharing, will help to introduce greater market discipline into the financial system, advance and reduce unbridled, uncontrolled lending, and make the financial system healthier and more capable of a broader and more comprehensive division of risk⁵⁸. The method of Islamic finance makes the financial system as a whole more diverse, and the small flow of information in the products of the financial industry has many advantages and advantages that avoid and address banking crises, represented by its markets and financial instruments.

Conclusions**Findings**

1. The economies of many countries have been directly and indirectly affected by the spread of the coronavirus. Various economic sectors, such as tourism, aviation, automotive, exports, imports, and many other vital sectors, have been impacted by COVID-19.
2. Due to the resulting instability in the global economy, stock market indices have fallen in many countries. In the U.S. alone, the stock market index dropped by about 10 percent, and the issue has also affected global gold prices.
3. With declining demand—especially in the Chinese economy—oil prices have sharply decreased, dropping below \$40 per barrel. Some analysts believe that if these conditions persist, there is a possibility of further reductions in oil prices. The drop in demand is the first domestic sign of the coronavirus outbreak in the country.

⁵⁸ Abdelkader, Fadil. "The Islamic Financial System: Absorbing or Deepening Shocks". p. 2.

Recommendations

Monitoring the effects of the coronavirus, containing it, and mitigating its severity have become top priorities. Decisive measures taken in a timely manner by health authorities, central banks, and regulatory bodies can help contain the virus's spread and balance the economic impact of this pandemic.

Similar to health experts, banking regulators are now moving to address this rapidly evolving and exceptional situation. These regulators must mobilize the tools available in their rulebooks designed to respond to natural disasters, operational risk events, and banking stress episodes. Islamic theory, with its global perspective, can provide additional guidance for the future path:

1. **Training Iraqi personnel who combine Sharia knowledge with an understanding of Islamic financial institutions.
2. Activating Iraqi financial markets by aligning Sharia compliance with economic efficiency.
3. Raising awareness in Iraq and promoting the use of Islamic financial instruments.
4. Central banks should support demand and confidence by preventing financial tightening, reducing borrowing costs for households and businesses, and ensuring market liquidity.

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