

Press Release

The Investment Fund Crisis Is a Bitter Fruit of the Capitalist Economic System

(Translated)

Following a meeting held by Finance Minister Mehmet Şimşek with his deputies on Thursday, September 17, it was announced that 131 investment funds would be delisted from stock exchange trading and that seven portfolio management companies would be placed under seizure. It was revealed that these companies had recorded disproportionate growth in their profit figures, particularly during the final quarter.

The scandal involving high-yield private/secret funds—which recently erupted in financial markets—has caused the savings of thousands of investors to vanish; Reportedly, the value of the invested funds totaled 890 billion Turkish Liras, involving 455,000 investors. Although the state and market regulators are attempting to overcome these crises through measures they term "market oversight and restoring confidence"—while downplaying the scandal as a minor issue—the wounds inflicted by the usury-based capitalist financial system are deepening, dragging people into a vortex of crisis and insolvency.

The crisis was precipitated by liquidated funds feeding off one another through shallow, artificial maneuvers to inflate share prices, coupled with their inability to meet investors' withdrawal requests due to a lack of liquidity. In this context, high profit expectations, closed-loop transactions, and financial structures—operating under the umbrella of formal banking—functioned with the mindset of a Ponzi scheme.

The capitalist system's promise of "making money from money" has stoked greed and fueled hopes of quick riches with minimal capital investment; furthermore, the fact that institutions have turned a blind eye to this situation has effectively legitimized acts of plunder and theft. The role played by state institutions and officials in enabling this crisis is glaringly obvious; such massive plunder could not possibly occur without the backing of bureaucrats who lack the fear of Allah. It is a major scandal that the very authorities claiming to combat corruption are shielding the privileged individuals who—behind the scenes—reap enormous profits from such thefts.

This situation has once again revealed the perils of attempting to make money through usury and the stock market. Stocks traded with an ambiguous profit-and-loss mindset—and which are entirely susceptible to speculation and market

manipulation—are impermissible under Sharia, quite apart from the significant risks inherent in their actual nature.

The true cause of inflation, the foreign currency and exchange rate spiral, and market collapse is this capitalist financial system—with its usury and paper currency—which operates in this manner.

While governments—or the guardians of the system—distract the public with rhetoric about "foreign capital, monetary tightening, credit ratings, and confidence," the bill for the crisis is being paid entirely by low-income earners, pensioners, and the nation at large. This nation has fallen into a debt trap, unable to even service the usurious interest on its loans, all while toiling under the crushing burden of heavy taxation. Yet, the nation is not helpless; the root problem is the system itself, and the solution lies solely in Islam. Islam establishes the legitimacy of ownership, labor, and trade, while categorically prohibiting earnings derived from usury, fraud, uncertainty, *gharar* (excessive risk/ambiguity), hoarding, gambling, and speculation. Promises of high, guaranteed returns devoid of profit-and-loss sharing—as well as financial instruments rooted in deception—are invalid. Furthermore, stock market dealings, speculative games, and financial derivatives that have severed all ties to real production fall outside the bounds of legitimate trade.

Therefore, the Islamic system must be implemented immediately; under this system, money acquires intrinsic value—like gold and silver—avenues for inflation, fraud, and exploitation are closed off, and both property and effort are genuinely protected. The path to deliverance from economic crises—which deepen day by day—lies not in capitalist "patchwork" policies, but in the Islamic economic system, which will resolve these problems in a radical and comprehensive manner.

﴿وَمَنْ أَعْرَضَ عَنْ ذِكْرِي فَإِنَّ لَهُ مَعِيشَةً ضَنْكًا وَنَحْشُرُهُ يَوْمَ الْقِيَامَةِ أَعْمَى﴾

“But whoever turns away from My Reminder will certainly have a miserable life, then We will raise them up blind on the Day of Judgment” [Taha 20:124].

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