

The Contribution of permissible securitization to overcoming Financial crises-During the new Corona epidemic - An Exploratory Economic and Jurisprudential study

Dr.Ammar Hamad Huraish, Dr. Rabeaa Mezher Shaker
Al- Farahidi University College of Law

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Abstract

The present study aims at showing the contribution of the permissible securitization in overcoming the financial crises during the outbreak of the corona epidemic. The research was based on an explanatory examination based on a set of financial data yielded from Iraqi Banks. It has been found that there is a statistically significant role for securitization in reducing financial crises in banks, especially with regard to the financial liquidity management crisis.

Introduction

Securitization operations have been regarded as the result of a set of developments impacting global financial markets, the content of which is the transformation from a bank loan formula to a securities formula. The principle of securitization however, is based on the roots of Islamic ethics, specifically the Islamic processes of systematization. Nonetheless, the term securitization has been considered an Arabization of a relatively recent economic term, which is securitization that means: securitization of debts, i.e. making the deferred debt in the guardianship of others, in the period between its establishment in the obligation and its development, and the instruments are negotiable in a secondary market. In this way, the various exchanges and exchanges can take place on it, and it is transformed into cash after it was merely an obligation owed by the mortgagor.

Thus, cash management and its preservation are considered as one of the most vital financial crises in which the legitimate and professional authorities work to as a control supervision processes through a group of risk analyzes that all banks adhere to before Sharia supervisory bodies and local and international organizations for banking supervision.

As a result of the epidemic of the new Corona epidemic and the defensive measures that followed, and the restriction of travel and movement movements, financial institutions were affected by many supporters. Thus, many financial institutions decided to use extra allocations to overwhelm the potential risks and their impact on bank liquidity operations; this includes increasing the provisions for credit fatalities expected to overcome global doubts.

Consequently, the significant question arise is there a role for securitization operations in Islamic banks towards the crisis of bank liquidity and its administration in light of the outbreak of the new Corona epidemic? When to answer this question, the researcher accepts an exploratory research approach to identify the role of permissible securitization in limiting financial emergencies, by this means, however the crisis of cash management in banks in light of the outbreak of the new Corona.

Second: Research objective

In terms of the research's inquisitive aim, the main objective is to explain the role of permissible securitization in overcoming financial crises at the time of the virus outbreak.

Third: The Research Hypothesis

In order to achieve the objective of the research, there is a basic hypothesis that assumed a statistically significant role for permissible securitization in overcoming financial crises during of the outbreak of Corona.

Fourth: Research methodology

The research adopts the approach of a case study with the aim of uncovering the role of securitization in overcoming financial crises, especially the cash crisis in banks in light of the outbreak of the new Corona epidemic, as well as analyzing the financial data for the year 2019 before the outbreak of the Corona epidemic, as well as for the year 2020 after the outbreak of that epidemic, and the data were for a group of banks in the Iraqi environment for the purpose of answering the research question and achieving its goals.

Fifth: Research Structure

As we are trying to achieve the aim of the research, it should be divided into the following axis:

General Framework

The first part includes:

The theoretical background of the research

The second Part includes the exploratory study

The first Part: The Theoretical Background

This Part is concerned with the defining framework for permissible securitization processes, as well as the extent of being affected by the

implications of the new outbreak of the new krona, since securitization is regarded as a form of Islamic finance similar to murabahah (gaining Profits), musharaka (sharing), speculation and leasing, and below we will deal with the definition of securitization in the following aspects:

First: *The difference between interest-based securitization and permissible securitization*

First, the term *securitization* is used in traditional economics, and it is understood to be limited to monetary debt securitization (conventional securitization), while the term securitization is used in Islamic economics, and usurious securitization refers to converting debts into securities (bonds) of equal value that are negotiable, and these bonds represent a debt with interest to its holder. In the protection of its source, it is not permissible to issue these documents and to be traded according to Shari'a.

Permissible -securitization is meant to be by issuing financial documents and certificates of equal value that represent common shares in the ownership of accurately established assets, or will be established from the subscription proceeds, issued according to a legitimate contract and its provisions are taken.

It is worth mentioning that the main difference between banned securitization and permissible securitization is the necessity of the legal resources that underpin the income-generating securitization process, and ownership of these assets must be to the group of investors according to their shares.

The most important differences between banned Securitization and permissible Securitization can be clarified as follows:

- 1- who continuing in the negotiable Islamic Checkes) own real assets.
- 2-Investors in Islamic checkshave all the risks associated with the asset, as it is a profit and loss-based company.
- 3- Islamic checks cannot be traded in debt-generating formats, such as: (profits) murabaha contracts and peace contracts.
- 4-The State of Malaysia is a pioneer in the field of Islamic securitization, and the size of the Malaysian Islamic bond market is estimated at (300) billion US dollars. Islamic bonds constitute (70%) of the market, and murabahachecks of profitconstitute (90%) of the issued Islamic checks.

Second: Securitization is a term for debt stabilization: Securitization in the language represents a derived of paper, by breaking the letter **raa**, The Almighty said: "So send one of you with your papers to Madinah" (Al-Kahf 19). And he, peace and blessings be upon him, said: "In Raqqa a quarter of a tenth, and tenderness by reducing it: silver. What is meant in jurisprudential use is to obtain paper, that is, to obtain cash, by buying a commodity for a deferred price and then selling it to someone other than the seller at a present price.

Third: Securitization as a new banking service:

Securitization can be seen as a new banking service within the framework of the measures and technical and contractual steps arranged and organized to simplify the customer's access to cash in a process in which the bank is an additional intermediary party.

Within the framework of this process, the bank in the first stage purchases the service on its own from the original seller, depending on the customer's assurance to buy from, or purchases quantities of the goods without a prior promise to purchase. After that the bank sells those purchased commodities, or specific quantities of it, to the customer on credit At a specified price (by bargaining or by Murabaha). At a later stage, the bank sells that commodity that has become owned by the customer to whoever wants to buy it in cash, based on the client's mandate to do so, and the ultimate buyer of the commodity may be the original seller from whom the commodity was purchased, and then securitization takes place through three parties, or in other cases the buyer The original seller is securitized by four parties.

Fourth: The difference between securitizations:

It is noted that there is a difference between the terms *tawarruq* and *tawarruq* (*tawarruq* or *tawarruq*), as they are two different processes. To clarify the difference between the two terms, we first know each of the two terms, and then we conclude the difference between them.

The term securitization: refers to a case for someone other than from whom one of the legitimate means of obtaining cash was purchased. "Despite the issuance of a decision by the Islamic Jurisprudence *Fiqh* Council of the Muslim World League with its legitimacy, it was not practiced until recently by some Islamic banks or the Islamic offices of traditional banks.

Moreover, it provides cash assets to customers, and is also used to attract cash to banks, in addition to using it to invest clients' funds in *murabahah* (profit) with fixed returns known in advance, a requirement that is insisted on by some companies and government institutions that set estimated budgets for their activities.

The danger of Securitization is not concealed due to its contiguity in the procedures to the sale of the forbidden sample, even though it is fundamentally different from it. Thus, this requires extreme accuracy in its implementation, setting the mechanism and procedures in terms of Sharia controls, as well as taking insurance by legal means to avoid the price difference between the purchase on the term and the final sale at a price. An event, to the detriment of the customer or the bank. Securitization is needed, as other forms of financing clients cannot be applied, and this makes Islamic finance available to cover all clients' needs, whatever their form.

It can be said briefly that Securitization is done in the case of buying a commodity for an overdue price, sells it for cash at a lower price, in order to obtain cash. If he sells it to the seller himself, then it is the sample, and if he sells it to someone else then it is Securitization.

B- The term securitization: it is legally acceptable, and it consists in converting in-kind assets or usufructs into negotiable instruments, and it requires some restrictions and procedures to achieve Sharia controls, which are based on the investor's ownership of income-generating assets, which represents the return on the bond. There is also a legally accepted mechanism that provides hedging (protection and security) to the client without the legally forbidden guarantee in the participations.

The legal checks vary to ijara (renting), salam (Peace), and mudarabah checks, and all checks are controlled by a set of Sharia controls. The confirmation process also has different parties to protect the checks bank holders and facilitate their circulation, noting that the Ijarah (renting) checks have a suitable applicability for long periods through variable fees, which are consistent with Sharia controls, and provide a variable return for the holder of the checks. Then checks achieve liquidity for companies in a legitimate manner, and they also allow the bank to use liquidity. Based on the above, it is clear that there are differences between securitizations and tawarruq, which can be summarized as follows:

Tawarruq is the purchase of a commodity on credit and the buyer reselling it to a third party for cash (other than the first seller) in order to obtain cash.

As for **Securitization**, it can be achieved through a bank or financial institution transferring ownership of its income-generating financial assets to another party in order to obtain liquidity.

It is noted that despite the difference between tawarruq and securitization, we can note that both of them aim to provide cash to the beneficiary. In the tawarruq contract, it is found that the customer who bought the commodity on time sells it to a third party in cash in order to obtain cash. In the process of securitization, the bank or financial institution transfers possessing the assets that it has to another party, receiving the present value of those assets and using that liquidity to fund new projects, or granting new credit facilities to clients.

Fifth: Financing by Islamic securitization:

Islamic banks offer various products that operate under the concept of securitization that is in line with the provisions of Islamic Sharia. Some banks, as we mentioned before, offer a product to sell local goods in installments to individuals: "Securitization in local commodities", that provides the bank's customers with the opportunity of gaining cash financing through Islamic means. The bank allows its customers to buy in installments for any local commodity that the bank already owns. Then the customer authorizes the bank to resell the commodity for cash in the local market and add the selling price to his account.

In addition, some banks also buy and own a commodity from the international market, often metal, then sell it to customers with a recognized profit for a known period, and after selling it to the customer and owning it, the customer issues an agency to the bank's treasury to sell that commodity and deposit the sale profits in his account.

These various products have many advantages that allow customers to provide cash assets in an easy way and within a short period of time, enabling them to meet the current obligations of wages, salaries, rental expenses and others, and the securitization process is based on the following elements and components:

A- The securitization process is preceded by multiple steps ending in an agreement with the bank or financial institution that wishes to convert its assets into quick liquidity in exchange for transferring ownership of those assets. Furthermore, determining the appropriate price of the securities to be offered for subscription; Plan IPO promotion programs; Preparing studies on the cash flows of securitized assets and others.

B- Asset management in relation to securitizing receivables that are legally accepted, since despite the transfer of the ownership of the guarantor assets to meet the value of the issued securities from the financial liability of the originator of the asset (the source) to the new creditors, represented by the holders of securitization checks, in most of the transactions, the issuer is delegated with duties Managing the collection of these assets and their guarantees during the completion or execution of securitization operations.

In general, the researcher shows that securitization operations or what is called securitization are deliberated as one of the short-term financial tools that Islamic banks can benefit from in managing the promised money as well as organizing the optimal use of all assets, as it can provide the following advantages in terms of various financial crises:

1- Increasing liquidity: As the non-cash asset quickly turns into cash, similar to the asset that the lessor owns in the lease or lease-to-own contracts, as it is converted into cash paid by investors in checks.

2- Coordination between sources of funds and their uses: securitization processes help reduce the risks of mismatch between the terms of resources and their uses

3-Securitization operations have the ability to increase the number of securities traded in the stock market.

4-Securitization can lead to a low-cost instrument due to the lack of middlemen and the risks associated with the issued security.

5-The diversity and multiplicity of securitization operations structures provide in return various investment opportunities through which Islamic banks can profitably diversify their cash management.

6- Finally, the process of Securitization operations can help improve the productivity of banks because they do not need much cost in financing and managing them, which leads to refining the bank's financial ratios.

The draft strategies for managing cash risk of the Financial Services Board (2011) stated that securitization of financial and investment assets is an significant technique used by financial institutions around the world to achieve cash and to release assets from the financial position and collect more funds as well as reducing the exposure of institutions to risks while saving costs. Less

financing, as well as obtaining an assessment based on the market price of the assets that are securitized.

Thus, in the next section, the investigative study of the role of securitization in limiting financial crises is addressed, particularly the liquidity crisis in Islamic banks.

Second Part: Explanatory Studies

This part aims at revealing the permissible securitization in overcoming the financial crises during corona pandemic. The variables of the studies are described for validating the research hypotheses through statistical analysis and descriptive deduction; as follows:

First: the Aim of Conducting the Explanatory Study

The main aim of conducting the explanatory study is to perceive the extent of the effect of financial cash assets in Islamic banks before the outbreak of the Corona epidemic, by monitoring the permissible securitization systems for financial and investment assets which are considered means of managing cash in financial institutions. Therefore, the purpose of this study is to provide a market-based assessment of the assets. The assets are secured in Islamic banks in the period before the outbreak of the Corona (2019) and the period after the spread of this epidemic in the year (2020).

Second: Population and Research Sample

A) Research Population:

The research community includes all the financial institutions that originate the teachings of the Islamic approach in financial dealings and transactions and that carry out securitization (securitization) operations for all of their assets according to the Islamic approach, which is called allowable marketing.

B) The research sample:

The research sample deals with the financial statements of a group of Islamic banks in the Iraqi banking systems that are a system of Sharia governance in securitization and securitization operations in all of its investments. The financial statements deal with two periods before and after the outbreak of Corona epidemic, which aims to monitor the influence on cash crises and how to manage them in these banks in light of the spread of this widespread.

The following table represents a summary of revealing the contents of the financial statements and data of the research sample from the selected banks, as shown in Table No. (1)

Table (1)
Data Sample and Financial Content

Financial Data (In Iraqi Dinar)								Time	Years	Iraqi Banks	Islamic Banks
Income	Saves	Islamic investment	Debtors	Cash	Stable Currets	Investmen t	Total Current				
31187192	286475493	241298141	40477244	778797131	32189756	23838127	810986887	Dec.	2019	Iraqi Banks	Islamic of Investment
32532420	33174723	257112518	16055965	798181575	41775289	39950311	839956864	Jan.	2020		
2200688	68204331	49146551	15106595	169927657	16873517	18917000	186801174	Jan	2019	Islamic International Bank	
1171485	112248343	89222159	15227500	215767930	16906832	19667000	232674762	Jan	2020		
697007	68204331	49146551	15106595	169927657	16873517	18917000	186801174	Jan	2019	Islamic International Bank	
367941	76333248	84343256	14228857	178368239	16897487	18917000	195265726	Mar	2020		
8163	214733	407751	69010	536775	10178	106	546953	Dec.	2019	Islamic National Bank	
4822	268779	407575	53719	586689	12685	106	599374	Sept	2020		
5880	637639	41993	4068	1258003	62564	41993	1320567	Sept	2019	Islamic Kurdistan Bank	
8353	527528	40766	3931	1156347	62191	40766	1218538	Sept	2020		
4053593	32518252	24747630	515822	195840330	4941376	16602625	200781706	Sept	2019	Islamic	Iraq-Asia Bank

Financial Data (In Iraqi Dinar)								Time	Years	Iraqi Islamic Banks
Income	Saves	Islamic investment	Debtors	Cash	Stable Currets	Investmen t	Total Current			
4745308	18531716	25607801	162988	170694550	15038625	15552625	185733175	Sept	2020	
4053593	32518252	24747630	515822	184386203	16395503	16602625	200781706	Dec	2019	Islamic Iraq-Asia Bank
1272029	18893692	29864844	13944889	180092060	19669608	19602625	199761668	Mar	2020	
323000	16579000	1240000	23640000	401668000	179090000	32064000	580758000	Sep	2019	Ata' Islamic Bank
639000	13860000	772000	23800000	384106000	170050000	30306000	554156000	Sep	2020	
2075600	29986333	64730890	144687	133183631	13261257	26800000	146444888	Dec	2019	Islamic Investment Banks
3248543	25191372	70296231	8159744	162990113	31731283	26800000	194721396	Sep	2020	
1711273	29986333	64730890	144687	151183631	13261257	26800000	164444888	Dec	2019	Mustashar Islamic Bank
3293941	47602667	60377000	149373	193011004	27687512	26800000	220698516	Mar	2020	
2975	312278	1077	238089	623403	17919	36700	641322	Dec	2019	Jehan Islamic Bank
3400	332530	1335	247793	648040	20396	36700	668436	Mar	2020	
6666	312278	1078	238089	623403	17919	36700	641322	Dec	2019	Jehan Bank of Inevstment
7691	297553	0	209881	618004	20641	36700	638645	Jun	2020	

Third: Description of the research variables: If the main hypothesis of the research is the existence of a statistically significant role for permissible securitization in overcoming financial crises in light of the outbreak of the new corona, then the researcher aims to test it by describing its variables through the following:

A- The independent variables: which represent the role of securitization operations related to the securitization of assets in the researched Islamic banks. This role is measured through the description shown in Table No. (2) following:

Table (2)
 Independent Variables

Outcome	How to measure it	Type of Securitization
Permissible Securitization Capacity	Change Rate before the Outbreak	Islamic Checks
Measuring Risks of Borrowing	Total of Sum	Banks Clients from non-Islamic Investment systems
The efficiency of the lending-based securitization process in the system	Islamic Funding for savings	Investment by Islamic systems
The extent of efficiency of managing clients' deposits compared to the total assets, after and before the spread of the new Coronavirus	Clients savings	Demand on Securitization
Measuring the extent of deposit turnout before and after the outbreak of the Coronavirus	Growth rate on Savings	Demand on Securitization's debtors

A- The dependent variable:

It specifies the nature of managing cash operations in the investigated banks. It represents the real crisis that corresponds to these banks that is expressed in the ratio of cash assets to total assets, whether before or after the outbreak of the new Corona virus.

Fourth:

The statistical methods and programs used: where the SPSS.25 statistical packages program and the Excl.13 data analysis program are also used to collect, analyze and sort data. The focus has been on using the following statistical methods.

1- Descriptive statistical analysis

It has been done through tests of central tendency, arithmetic mean, standard deviation, and some descriptive statistical values.

2-We have done the analysis of the correlation between the research variables before and after the outbreak of the epidemic.

3-Shapiro-Wilk test has been applied for the purpose of verifying the extent to which the data related to the applied study are close to the normal distribution.

4-Autocorrelation test: Durbin Watson analysis is also used.

5-Testing the Variance Inflation Factor has also been used for the purpose of confirming that the data is free from the problem of linear duplication between the independent variables of the study.

6-Multiple linear regression analysis has also been applied using the Least Squares method to test the study hypotheses and measure the explanatory power of the independent variables (permissible bank securitization operations) in the dependent variable of the cash crisis compared to the size of assets in the researched banks.

7-Paired Samples t-test.

They refer to the data of the examined banks before and after the outbreak of Corona virus.

Fifthly: the descriptive statistics:

It is concerned with the indication of the central trend measures between the two related samples of the same Islamic banks studied in 2019 and 2020 before and after the outbreak of the Corona crisis, as shown in Table (3):

Table (3)
 Describing the Independent Variables

Std. Error Mean	Std. Deviation	Mean		
57.36223	198.70860	58.4282	Sales growth rate	Pair 1
47.25799	163.70648	48.2794	Sales growth rate	
44.37781	153.72923	66.6507	Growth rate of the Checks	Pair 2
42.95667	148.80627	64.4767	Growth rate of the cheques	
.03914	.13558	.0943	Total Assets	Pair 3
.03589	.12431	.0922	/ Total Assets	
.23394	.81038	.8474	Islamic Finance / Customer Deposits	Pair 4
.61575	2.13303	1.5271	Islamic Finance / Customer Deposits	
.04417	.15300	.3060	Customer Deposits / Total Assets	Pair 5
.05528	.19148	.2768	Customer Deposits / Total Assets	
4.18313	14.49078	5.0615	Customer deposits growth rate	Pair 6
2.83073	9.80593	4.1476	Customer deposits growth rate	
.02259	.07824	.9227	cash assets / total assets	Pair 7
.02281	.07902	.9068	Cash assets / total assets	

It has been found from the above table that the highest arithmetic average reached within the indicators of securitization (Tawarruq) was for the growth indicators in the checks (investment securitization). It was at an arithmetic average of 66.65 as a growth rate before the spread of the Corona virus, then it decreased slightly after its spread to 64.47 through the data of the banks researched, and followed by the rate of growth in incomes and banking services before the outbreak of the Corona virus, it reached an average growth rate of 58.42, whereas, it reached a growth rate of 48.27 through the financial data, after the spread of the virus.

It is also noticed that the ratio of customers' deposits to total assets decreased from 30% to 27%. This was related to a decrease in the deposit growth rate from 5.06 to 4.14 according to the data of the research sample.

It has also been noticeable from the previous table that Islamic financing operations (securitization) have become a safe zone from the consequences of the emerging Corona virus, as the ratio of Islamic financing to deposits was (0.81) before the outbreak of the virus while it has become (1.57), after the emergence of the pandemic with an increase known as the participation of Islamic banks in supporting the investment community in the permissible securitization system to overcome the repercussions of the virus and its spread.

In addition, the previous table indicates that, as the rate of growth in the ratio of cash assets to total assets, 92% before the outbreak of the Corona virus and after the spread of infection, this ratio between cash assets and total assets decreased to 90.68%, reflecting the increase in risks and financial crises, with a difference of approximately (2%), which is a small percentage. It reflects the strength of Islamic transactions as opposed to the transactions of the same usurious (taking a rate of interest) institutions.

Fifth: Testing the validity of data for analysis: This has been done through the following:

A- The moderation test of the tested models:

We have used the Shapiro-Wilk test to measure the extent of the data belonging to the standard normal distribution for each of the study models, which can be seen from the following table (4):

Table (4): Data Samples Moderation

Shapiro-Wilk			Year
Sig.	Df	Statistic	
.000	12	.468	Before the Corona Outbreak
.001	12	.695	
.023	12	.833	
.187	12	.905	
.000	12	.375	

.000	12	.655	assets / total assets	After The Outbreak of Coronavirus
.000	12	.333	The rate of growth in sales	
.000	12	.468	The rate of cheque growth	
.001	12	.695	Due Amounts / Total Assets	
.000	12	.676	Islamic finance / deposits for non-bank customers	
.027	12	.839	Customer Deposits / Total Assets	
.000	12	.418	Customer deposits growth rate	
.008	12	.794	Liquid assets / total assets	
.000	12	.333	Sales growth rate	

Thus, by running the statistical program SPSS.25, we find that the Shapiro-Wilk test indicate that the level of significance is through the two groups of data examined, and the level of significance indicates the level of belonging to the standard normal distribution that is achieved whenever the level of significance is greater than the level of 0.05.

This is what was accomplished. Observing it in some indicators, whether before or after the outbreak of the Corona virus, and to treat this problem, the Natutal log function for these data has been used, so that it approaches the normal distribution with a reservation on the presence of some extreme values that somewhat limit the validity of some models.

A- Self-correlation test:

The minimum squares hypothesis states that there is no self-correlation problem between random errors (deposits), as this problem appears in the model when the adjacent observations are correlated, and this affects the validity of the multiple regression models as it produces an unreal effect for achieving independent variables on the dependent variable with a high degree.

Thus, in order to detect the self-correlation problem with the proposed model, the (Durbin Watson Test) test has been adopted by the researcher since it is considered one of the most used tests in studies to detect this problem. The test value ranges in the range (0, 4) and that the result close to zero indicates a strong positive correlation between the successive residues, but if the test result is close to the number (4), this indicates the presence of a strong negative self-correlation, and if the test ranges between 1.5 to 2.5. However, this indicates that there is no self-correlation between the adjacent values of the variables and it is considered a homogeneous result. The next table no. (5) shows the results of the Durbin Watson Test:

Table (5) Testing the Self-correlation of the Variables

Durbin-Watson	Model	Year
2.308	1	Data before the outbreak
2.555	2	Data after the Outbreak

The previous table shows that all indicators range from the value of Durbin-Watson between 1.5 to 2.5 indicating the absence of a self-correlation between the adjacent values of the variables, as it is evident from this that these two models before and after the outbreak of the Corona virus were free from the problem of autocorrelation.

A- Multiple linear interference test for each of the independent variables:

This study has been based on the (VIF) coefficient, which is the coefficient of variance amplification, as well as on the tolerance for the detection of linear duplication between the independent variables as shown in the following table no. (6):

Table (6) Testing the Multiple Linear Correlation among the independent Variables

Collinearity Statistics		Model	
VIF	Tolerance		
5.830	.172	1	Rate of Cheque growth
4.640	.216		Total of assets
2.030	.493		Islamic investment
3.704	.270		Total of assets
4.016	.249		Rate Growth of clients savings
2.554	.392	2	Rate of Cheque growth
1.887	.530		Total of assets
1.491	.671		Islamic investment
2.110	.474		Total of assets
2.317	.432		Rate Growth of clients savings

The researcher indicates from the previous table that if the (VIF) values exceed the value (10), this will leads to a lack of confidence in the estimated parameters. If the value of (VIF) ranges between (5 and 10) it will indicate an average problem, even if the value of (VIF)) is greater than the value (30). There is a big problem in the process of linear interference between the variables.

It is also evident that there are no values in which the permissible variance value is less than (0.1), which indicates that there is no interference problem between the independent variables, and then there is no linear correlation problem in the data of model before or after the outbreak of the epidemic.

Sixth: Examining the research hypothesis test and analyzing its results:

The researcher has used the multiple linear regression function to test the role of permissible securitization operations in Islamic banks on financial crises during the outbreak of the new Corona crisis, and the output is analyzed through the following:

A- Testing the statistical research hypothesis:

This test has shown: “There is no legal role for securitization in overcoming financial crises during the outbreak of the new Corona epidemic.” A variance analysis in terms of the value of (P) statistical has been used in the present study as shown in the following table no. (7)

Table (7) Validating Research Hypotheses

ANOVA^a

Sig.	F	Mean Square	df	Sum of Squares	Model	Year
.026 ^b	5.845	.011	5	.056	Regression	1 Before the Corona Outbreak
		.002	6	.011	Residual	
			11	.067	Total	
.030 ^c	5.498	.011	5	.056	Regression	2 After the Corona Outbreak
		.002	6	.012	Residual	
			11	.069	Total	

The previous analysis indicates that the value of (P) reached before the outbreak of the Corona virus to (5.845) and after the outbreak of that epidemic to (5.498). In both cases, it is greater than the tabular values at a significant level before the outbreak of the Corona virus reaching a level of (0.026) and after the outbreak of (0.03).

It also noted that less than a significant level (0.05), at which it is decided to reject the statistical hypothesis and accept the alternative hypothesis. Such hypothesis stipulates the existence of a permissible securitization role in overcoming financial crises in whether or not in the presence of the new Corona crisis or not. This role is explained by the extent of the penetration of financial crises with the explanatory power that can be seen in the following table no. (8)

Table (8) shows the role and strength of Permissible Securitization in overcoming Financial Crises

Std. Error of the Estimate	Adjusted R Square	R Square	R	Model	Year
.04372	.688	.830	.911 ^a	1	Before the Outbreak
.04529	.672	.821	.906 ^c	2	After The Outbreak

It is evident from the previous table the permissible securitization operations in Islamic banks are explained by their role in overcoming financial crises before the spread of the new Corona virus with a strong explanatory power of 83%, and that this role did not decrease significantly after the outbreak of the Corona crisis, as its strength reached 82.1%.

This shows a relative steadiness in the role of acceptable securitization for the purpose of limiting financial crises, especially in cases of new developing epidemics.

Research findings and recommendations

First: Conclusions

1- Securitization has been represented in converting in-kind assets into negotiable instruments. It requires some Sharia controls that are based on the investor's ownership of income-generating assets, which represents the return on the contract.

2-The role of permissible securitization can be represented as an important financial tool for Islamic banks, as the arithmetic average percentage of the growth indicators in bank checks converged before and after the spread of the new Corona.

3-It has been also found that the growth rate in banking revenues and services achieved a slight decrease before the outbreak of the new Corona virus and after its spread in terms of financial operations that track permissible securitization of the financial assets and assets of the banks examined.

4-A slight decrease in the percentage of customers' deposits has been noted, which does not exceed (3%) before and after the outbreak of the new epidemic.

5-Islamic financing operations (securitization) has become a safe zone from the consequences of the emerging Corona virus, as the ratio of Islamic financing to deposits was (0.81) before the outbreak of the virus. It has reached (1.57) times after the outbreak of the coronavirus, an increase of which the participation of Islamic banks is known to support the investment community in the permissible securitization system.

6-Furthermore, there is a slight decrease in the growth rate in the ratio of liquid assets to total assets 92% before the outbreak of the Corona virus and after the spread of infection, as the ratio of liquid assets to total assets decreased to 90.68%, reflecting an increase in risks and financial crises, with a difference of approximately (2%). It is a small percentage that reflects the strength of Islamic transactions compared to the transactions of

the same usurious institutions7-It is decided to accept assumption that there is a permissible securitization role in overcoming financial crises, whether in the presence of the emerging corona crisis or not.

8-The permissible securitization operations in Islamic banks have been beneficial in overcoming financial crises before the spread of the new Corona virus with a strong interpretation of 83% of the financial crises, especially in cases of emerging epidemics.

Second: Recommendations

1- The researcher recommends future studies that deal with each of the securitization procedures distinctly and explain their contribution in reducing financial crises.

2- It is also recommending taking a comparative study between permissible and non-permissible securitization revealing the essential differences and the effect in reducing financial crises during the outbreak of epidemics and diseases.

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