

OPEN PEER REVIEW

The Role of Installment Sale in Economic Development and Reduction of Usurious Transactions: An Approach Based on Islamic Jurisprudence and Iranian Law

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1. Round 1

1.1. Reviewer 1

Reviewer:

The introduction effectively introduces the topic, but the discussion on Islamic jurisprudence and installment sale (e.g., "installment sale is considered legitimate due to the mutual agreement...") lacks sufficient reference to contemporary legal sources. Consider citing more recent research studies on Islamic finance.

The section on international instruments discusses CISG Article 73 but does not fully compare how different legal systems (e.g., European civil law vs. Islamic banking frameworks) treat installment sales. Expanding this comparison would add depth.

The article asserts that installment sales contribute to "economic growth by increasing purchasing power, strengthening the market, and supporting entrepreneurship." However, these claims lack empirical backing. Including data or case studies from Iran or other Islamic countries would substantiate these arguments.

The conclusion suggests amending laws to promote installment sales. However, the article does not specify which Iranian legal provisions need modification. Identifying specific laws or proposing new legal frameworks would enhance this section.

Authors revised the manuscript and uploaded the document.

1.2. Reviewer 2

Reviewer:

While the introduction mentions the importance of installment sales in reducing usurious transactions, it does not explicitly articulate the research gap. A clearer statement on what specific knowledge gap this study aims to fill would enhance the introduction.

The discussion on Islamic jurisprudential principles (e.g., "lil-ajal qistun min al-thaman") is strong, but it does not fully address counterarguments from critics who view installment sales as a disguised form of interest. A more balanced analysis would strengthen the argument.

The claim that "Iranian law does not provide an independent definition of this type of sale" is significant. However, more evidence should be provided from the Iranian Civil Code and Banking Law to clarify whether there are indirect references that could be interpreted as defining installment sales.

The discussion on the challenges of installment sales (e.g., "stringent conditions for granting installment facilities") is valuable, but it does not sufficiently explore potential legal or policy reforms. Suggesting regulatory improvements in Islamic banking frameworks would enhance the study's applicability.

The reference to Malaysia as a successful example of Islamic banking and installment sales is insightful. However, the comparison remains superficial. Including specific policy measures adopted by Malaysia that facilitated installment sales would strengthen the analysis.

The article convincingly argues that installment sales differ from usurious loans. However, in practical banking practices, some installment sales have high-profit rates that resemble interest rates. The article should address how these borderline cases are handled in Islamic banking.

Authors revised the manuscript and uploaded the document.

2. Revised

Editor's decision: Accepted.

Editor in Chief's decision: Accepted.