

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

April 3, 2024

Dear Esteemed Brother and Colleague,

Another month of Ramadan has arrived with all its glory and blessings. Praise be to Allah!

On this occasion, I would like to congratulate your Holy Ramadan and present to your kind attention the third of the Ramadan letters we have been sending you since 2022. I believe these letters are instrumental in building bridges between our profession and our faith.

As you know, competition law is essentially a cohort of rules promoting fair business practices. They bring order and predictability into the system. Therefore fair competition is a must for a smooth-running free market economy.

Similarly, fairness and justice are amongst the basic tenants of Islam. Justice is used in the Holy Quran and hadiths with meanings such as *order, balance, equivalence, equality, making judgments in accordance with the truth, following the right path, turning to piety, honesty and impartiality.*

We can see the reflection of this in the following verse:

*“Indeed, We sent Our messengers with clear evidence, and alongside We sent down the **Scripture** and the **Scales** so that people may uphold justice. And We sent down **iron** which has great strength and many benefits for people. Allah has given you all this to make out those who help Him and His messengers, though they don’t see Him. Surely Allah is All-Powerful, Almighty.”¹*

It is evident that **iron**, as the 4th most common element in the earth's crust², has been one of the most extensively used and processed metals since ancient times. Given that, the strength and benefits derived from iron by humanity, as highlighted in the above verse, can be seen as

¹ Surah Al-Hadid (57:25)

² The percentage of the first four elements are: Oxygen (O) 46.6 %, Silicon (Si) 27.7 %, Aluminium (Al) 8,13 %, Iron (Fe) 5 %.

an explicit reference to the industrial activities and technology that are at the basis of modern civilization today.

However, what is more noteworthy is that “**Iron**”, mentioned as a source of power and benefit, and “**Scripture and Scales**”, featured as a cursor for delivering justice, should be mentioned in the same verse together. Thus, the verse highlights the necessity for the power humanity wields to be balanced out and checked by some mechanisms which are defined as "justice" in the verse.

In the below verse as well, we also see how a prominent role Quran confers to justice and honesty in matters of trade and exchange:

“Weigh with justice, and do not give short measure.”³

In another verse that goes along the same lines, it is said:

“Woe to the fraudsters ! When they buy from people, they are exact in measuring and weighing. But, when they sell, they measure less.”⁴

Meanwhile, the following verse describes what kind of duty is assigned to the public authority in cases where justice and order are disrupted:

“If two groups of believers fight each other, intervene immediately and make peace between them. However, if one of them keeps attacking the other, fight them until the aggressor submits to the judgment of Allah. If they submit finally, make peace between those two groups with justice and give everyone their due. Always be exact in delivering justice. Because Allah likes those who are careful about truth and justice.”⁵

Scholars state that this verse does not refer to the war between rebellious groups and legitimate state forces, but rather to the disagreement and strife between different groups in a society. The public authority is obliged to ensure an agreement between the parties according to principles of justice and equity. It makes sure the ensuing damages are compensated and rights restored, if necessary by force.

From a competition law perspective, we can take the clash between the two groups mentioned in the verse as competition being pushed to a destructive and unfair level as a result of the anti-competitive behavior some enterprises might be exposed to. Since this is a predatory behaviour, as the verse suggests, the (competition) authority is ordered to intervene and eliminate the injustice.

In the similar vein, another verse enjoins that justice be applied uncompromisingly under all circumstances:

“O believers! Stand firm for justice as witnesses for Allah even if it is against yourselves, your parents, or close relatives. Be they rich or poor, Allah is best to ensure their interests. So do not

³ Surah Ar-Rahman (55:9)

⁴ Surah Al-Mutaffifin (83:1-2-3)

⁵ Surah Al-Hujurat (49:9)

*let your desires cause you to deviate 'from justice'. If you distort the testimony or refuse to give it, then 'know that' Allah is certainly All-Aware of what you do."*⁶

Consequently, as the above verses reveal, a grave responsibility and duty have been placed on the public authority to restore justice.

At this backdrop, we see the emergence of "MEDINA BAZAAR" in early Islam as a salient example of fair business practices suggested by Holy Quran. Based on firm pillars of justice and honesty, Medina Bazaar was started by the Prophet Muhammad (pbuh) himself right after Hijra. The precepts in this marketplace was remarkably akin to today's competition rules. At the same time, Hisbah, a watchdog with a capacity to function as a sort of competition authority of the time, was instituted there.

Medina Bazaar served as a model for Islamic countries throughout the ages and has provided important data in terms of competition law to this day. Since it highlighted ethical codes of trade and fair business practices, it wouldn't be too far fetched an argument to suggest that Medina Bazaar is a glaring example of competition law enforcement in premodernity.

As suggested by such historical experience once more, we can confidently say that our duty as competition authorities is to promote free and fair markets in a fair manner for all stakeholders.

Dear esteemed colleague,

I hope that my letter will lead us all to contemplate these issues regarding our profession and faith in line with the spirit of Ramadan which is also a month of soul searching and reflection.

Kind regards

Ramadan and Eid Mubarak!

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⁶ Surah An-Nisa (4:135)