

## IMPACTS OF THE AFGHAN FROZEN ASSETS ON THE TRADE AND BANKING OF AFGHANISTAN

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### Abstract

*Valuable assets are reserves under the jurisdiction of the country's central bank that are used to support the national currency in emergency situations and financial crises in order to reduce currency fluctuations and access to services. Afghanistan has about nine and a half billion dollars of assets, which have been kept in various international banks and reputable financial organizations to stabilize the Afghan currency and strengthen and improve Afghan national and international trade. In 2021, when the Taliban took power in Afghanistan, the assets of Afghanistan were frozen by the United States of America, which created problems and shortcomings for the current Afghan government and the people of Afghanistan.*

*The significance of the research study is to elaborate on and discuss the impacts of the Afghan frozen assets on the society, finance, and business sectors of Afghanistan and to find a fair solution to get rid of the mentioned challenges and drawbacks. The purpose of this research study is to identify and introduce the assets of Afghanistan, provide accurate data about the assets of Afghanistan, and describe their impact on the business and banking sectors.*

*The doctrinal research methodology and descriptive, explanatory, and analytical research approaches are used in this work. It is worth mentioning that this research study is entirely based on library sources. The researcher concluded at the end of the research study that the issue of frozen assets, deteriorating economic conditions, unemployment, and non-recognition of the ruling government of Afghanistan are the major shortcomings confronting the Afghan banking and trade sectors.*

**Keywords:** *Assets of Afghanistan, banking, business, The United States of America, Taliban*

## **INTRODUCTION**

The reserves of Afghanistan and other countries include foreign currency, gold, letters of credit, and commercial cheques. This deposited wealth is the wealth of the central bank and the whole country, not private capital; thus, it is the capital kept by the states and the central bank for the stability of their currencies. There was not much information about the frozen assets of Afghanistan, nor did the public know how much and where their assets were placed or for what purpose. When the Taliban took power in Afghanistan, in the very first days, the deposited Afghan assets in international banks and financial institutions were frozen by the order of the President of the United States. Following that day, journalists and round table participants were detained on Afghanistan's frozen assets. Financial reserves are those that are under the jurisdiction of the central bank of the country. Financial reserves should be used by these banks to support the national currency in emergency situations and financial crises in order to reduce the fluctuations of the national currency and to access services.

The fact that there was very little—almost no—information about the reserved asset makes it even more difficult for professionals to understand the issue. The researcher personally had very little or no information about the reserved asset, and most of the information that came out of social media was flawed. Moreover, many people did not have any information about the protection, investment, and storage of the asset and did not know that the freezing of the reserved asset has advantages and disadvantages.

Another discussion was raised here: because of this freeze, what direction will Afghanistan's half-dead or damaged economic system adopt due to this freeze? What will be the condition of the freshly developed banking system in Afghanistan? What will be the impacts of the frozen assets on Afghan trade and transit? These and other similar questions were not answered by either party. The common people only knew that if the frozen assets were released, Afghanistan's economy would improve. Even many educated people and government institutions thought that these assets would be used to support and strengthen the national budget. However, the Bank of Afghanistan, which is the first official channel of this wealth, clarified that the deposited wealth is the right of Afghans in the form of stability and support for Afghan currency and should not be tampered with in any way.

At the same time the Taliban took power in Afghanistan, a series of sanctions were started by the United States of America. The first step was to freeze the assets of the Central Bank of Afghanistan, which are about nine and a half billion dollars. Immediately after this, the International Monetary Fund (IMF) also announced on August 18, 2021, that this organization will look at the judgment and policy of the international community on how to interact and behave with Afghanistan. Until the clear policy of the IMF is presented, Afghanistan will not have access to any funds or assets from the International Monetary Fund. With the arrival of the Taliban, American senators wrote a letter asking that the Taliban's access to money be limited or blocked. In response to the senators' letter, the United States of America announced the freezing of Afghanistan's assets worth nine and a half billion dollars. It is worth noting that the 370-million-dollar aid to Afghanistan announced by the said fund has been postponed in order to combat the global economic crisis and Corona pandemic.

These nine and a half billion dollars are the property of Afghanistan, which is placed in international banks to support its currency in order to maintain the value of the Afghani. It is also used in commercial transactions with Afghanistan, especially imports. Furthermore, the United States of America has said that it will not be possible for the Taliban to access these stored stocks, and it has also banned the transfer of cash to Afghanistan (Musumeci, 2021).

Afghanistan and other countries' reserves include foreign currency and gold. These reserves are related to the central bank and the country's treasury deposits, not to the private sector. Currency reserves are a support behind the supply of money, which represents this money and can be called the power of the money supply (Jose, 2016). When countries export, they earn reliable foreign currencies (like the dollar, euro, and pound) and save them. Often, these deposits are converted into gold and kept in the central bank.

All deposited money, gold, valid bank checks, Special Drawing Rights (SDRs), and other commercial items are the reserve capital of a country, which uses them for the stability of its currency and financial affairs. The determination of the price of gold is done in London every year on the 31<sup>st</sup> of December and calculated in terms of US dollars (Valev, 2019). The influence of the United States of America on the financial, economic, commercial, and banking systems of the world makes it clear that this non-political part is also damaged by political actions. Therefore, this economic factor also works according to the strategic goals of the United States of America and follows their strategy.

### **Significance of the research**

The importance of the research study is to conduct scientific research on the Afghan frozen assets and to discuss and analyze the impact of the Afghan frozen assets on the trade and banking sectors in Afghanistan. Furthermore, the effects of the Afghan frozen assets on Afghanistan's commercial and banking sectors are under investigation, and solutions have been suggested to the responsible parties.

### **Problem Statement**

At first, there were various debates about the recognition of the Afghan assets; however, exact figures and numbers were not available concerning the Afghan assets that were kept in international banks and financial organizations. As a result,

the researcher felt it was necessary to conduct research in order to bring the attention of the Afghan current government and the international community to this issue. Furthermore, debates, comments, perspectives, and ideas about the shortcomings of Afghan frozen assets were mostly expressed from a personal, non-scientific critical standpoint; thus, scientifically investigating the effects of Afghan frozen assets in the business and banking sectors will solve the problems of theoretical and non-scientific differences in society.

### **Research questions**

1. What is an asset, and how much of an asset does Afghanistan have?
2. What are the impacts of the Afghan frozen asset on the business of Afghanistan?
3. What are the impacts of the Afghan frozen asset on the Afghan baking system?

### **Research objectives**

1. To identify the value and amount of the Afghan assets.
2. To determine and analyze the impacts of the Afghan frozen asset on the business of Afghanistan.
3. To determine and analyze the impacts of the Afghan frozen asset on the baking system of Afghanistan.

### **Research methodology**

The doctrinal research methodology and a descriptive, explanatory, and analytical research approaches are used in this work. It is worth mentioning that this research study is entirely based on library sources. Most of the sources are reputable and trustworthy textbooks, scholarly published and unpublished journal articles, law reports, and online websites related to the research area.

### **Objections to the freezing of assets**

As soon as the Taliban took power in Afghanistan, the United States of America announced the freezing of Afghan assets, and the Taliban considered this act against the Doha agreement. At the same time, protests and protest gatherings were held in many provinces against this decision. At the United Nations, Russia, China, and Pakistan repeatedly requested the reopening of these frozen assets. Additionally, the Taliban requested the reopening of the frozen assets; however, the matter went on for months and years.

A legal debate was also raised in the United States of America pertaining to these frozen assets, and based on the request of the victims of September 11, the president of the United States of America ordered the New York court that three and a half billion dollars should be given as compensation to the victims of September 11, and the remaining three and a half billion dollars have to be spent on humanitarian aid (Savage, 2022). However, the court in Manhattan, New York, rejected the idea that three and a half billion dollars should be given to the victims of the September 11th incident as compensation. One of the judges of this court, Sarah Netburn, said that the restriction on the assets of Afghanistan Bank is beyond the legal authority (Aljazeera, 2022). The ruling government of Afghanistan strongly reacted and condemned the US President's announcement about the frozen assets. There were demonstrations and protests against this decision in many cities in Afghanistan. Debates and disputes regarding the frozen assets are still ongoing, and the problem has not yet been resolved (Sadat, 2021). But in February 2022, President Joe Biden announced through an executive order that half of these frozen assets could be spent for the good and welfare of the Afghan people (Whitehouse. Gov, 2022).

On September 14, 2022, the US State Department announced that 3.5 billion dollars will be handed over from the frozen assets of Afghanistan to a newly created fund called the 'Afghan Fund.' This third-party fund was created by the United States and Swiss governments with the advice of some Afghan economic experts and will have a bank account with the Bank for International Settlements (BIS) of Switzerland. The US State Department stated in its announcement that the fund will be used for two purposes: first, for the good and welfare of the Afghan people. Secondly, for the government loans that the Taliban will not have direct access to. In response to the decision of the US State Department, the Bank of Afghanistan declared that "the reserve currency of the Afghanistan Bank is the property of Afghans, and the usage and transfer of it in an unrelated area is strongly condemned and prohibited" (Bank A., 2022). Moreover, the official information agency of the Afghan government (Bakhtar) commented on the US State Department's decision that the reserve currency of Afghanistan is the bona fide right and wealth of the Afghan people and should not be used for unnecessary purposes.

Deborah Lines, the UN Special Representative for Afghanistan, also requested that the frozen assets of Afghanistan be released to avoid a humanitarian disaster in Afghanistan. He also expressed his deep concerns about the misuse of the money. In August 2022, in the United States of America, the families of 77 September 11 victims asked Joe Biden in a letter to reconsider the decree, which states that 3.5 billion dollars will be given to the families of the September 11 victims. According to the victims' families, the frozen money belongs to the Afghan people, not to us; therefore, it should be released in order to prevent the humanitarian crisis in this country (Lee, 2022).

### **The historical background of the Afghan deposited assets**

According to World Bank official figures, Afghanistan's first deposited assets began in 1960 with a total of 50,690,800 US dollars. After the years 1972 through 1979, this accumulated asset reached nine hundred million dollars, and in 1991, the asset fell to 576 million dollars. Below is the deposited asset in US dollars from 1960 to 2020:

1. 1960 (50,690,800)
2. 1965 (45,434,560)
3. 1970 (49,788,930)
4. (1975) 217,260,903
5. 1980 (940,035,968)
6. (1985) 610,761,731
7. 1990 (637,925,667)
8. 1991 (576,118,920)
9. 2008 (3,042) billion dollars
10. 2010 (5,162) billion dollars
11. 2015 (6,977) billion dollars
12. 2017 (8,097) billion dollars
13. 2019 (8,498) billion dollars
14. 2020 (9,694) billion dollars (Bank T. W., data.worldbank.org, 2020).

Observing the above figures, the deposited assets of Afghanistan have been on the rise since 2008 and have made good progress. Despite the ongoing war and the economic crises caused by the Corona pandemic, there was a record increase in accumulated wealth after the year (2015), reaching 9.5 billion dollars. According to a World Bank report from 2019, Afghanistan ranks 76th in terms of foreign currency reserves, gold, and other commercial assets. China, with 3222.89 billion dollars in reserve assets, ranks first, and Kenya is at the bottom of the ranking list (Economy, 2019).

### **What, where, and how much is Afghanistan's frozen asset?**

According to an official news release from the Afghanistan Bank, the frozen assets of the Central Bank of Afghanistan are worth 5.9 billion dollars, which can be considered as support for the Afghan currency. The majority of these assets are in the Federal Reserve Bank of New York, and some of them are available in Swiss banks. However, according to the official figures of the World Bank, the assets of the Afghanistan Bank will be worth 9,694,989,382 US dollars by the end of 2020. The former chairman of the Afghanistan Bank, Ajmal Ahmadi, tweeted that seven billion dollars' worth of cash, gold, certified checks, and other commercial letters were deposited in New York, USA (at the Federal Reserve Bank of New York), as well as with international financial institutions. Other balances are with the Swiss bank, the Bank for International Settlements (Standard, 2021). 7 billion dollars of the frozen deposits of the Bank of Afghanistan are in the Federal Reserve Bank of America, of which 3.1 billion dollars are in the form of bills and bonds. Furthermore, 2.4 billion dollars are in the World Bank's Reserve Advisory and Management Partnership (RAMP), of which 1.2 billion dollars are gold and 300 million US dollars are cash. Additionally, 1.3 billion dollars are available in international accounts, and 7 hundred million dollars have been deposited in the Swiss bank, the Bank for International Settlements (Putz, 2021).

### **Effects of asset freezing on banking**

Afghanistan Bank writes on its official website in the history of this bank that the banking system of Afghanistan started working in the year 1312 after the opening of the Afghan National Bank. Before the establishment of the Afghanistan Bank, the Afghan National Bank was in charge of state banking, and with the establishment of the Bank of Afghanistan, the responsibility of state banking and the printing of money was transferred to this bank (Bank A., 2022). However, before the year 1312, during the era of Ghazi Amanullah Khan in 1920, various types of Afghan banknotes were printed and distributed, such as one Afghani banknote, five Afghani banknotes, fifty Afghani banknotes, and one Afghani banknote (Stanikzai, 2022).

No matter how much we think about the banking system in Afghanistan, no such fundamental work has been done by any government, period. One thing that still remains a big problem is that neither government banks or institutions nor private banks have worked as well as they should for banking facilities. The main reason was that banking services were used only by government employees or those who had to have bank accounts. Furthermore, more than 80 percent of the population is not familiar with the banking system, and the lack of an organized system and facilities has led to the fact that very few people use the banking services.

In the past 20 years, like many other developments in Afghanistan, banking has flourished and people have trusted it. The theft and corruption incident at Kabul Bank left negative impacts on the Afghan banking system (SIGAR, 2016). The crisis at Kabul Bank appeared as a big challenge to the ruling government, which caused controversy to such an extent that the international donor countries stopped their aid and stopped the continuation of the aid until the end of the crisis. Moreover, the International Monetary Fund (IMF) has announced that it will not provide financial assistance to the banking system of Afghanistan, although the Ministry of Finance has repeatedly contacted it.

In 2011, US President Barack Obama expressed his deep concerns about the Kabul Bank crisis in his video conference with the President of Afghanistan, Hamid Karzai, and added that this issue has a direct relationship with the long-term interests of Afghanistan and the United States of America. Additionally, after the collapse of the previous Afghan government, not only foreign donors but also ordinary Afghans lost their trust in the banking system of Afghanistan, and people thought that, like Kabul Bank, Azizi Bank, and other big private banks, they too would go bankrupt and their assets would be frozen. Since it is well known among economists that banks are subject to rumors because of the rumors, people

took out one billion afghanis from Azizi Bank on the first day. Additionally, in 2013, an employee of Azizi Bank, Shagofa Salehi, transferred one million dollars from the mentioned bank to the bank accounts of four members of her family. Later, with the help of Interpol, the family members of the employee were arrested (Guardian, 2013).

The freezing of Afghanistan's assets by the US also caused fundamental damage to Afghanistan's banking sector and made people distrustful of Afghanistan's banking system. This decision hit private banks more than public banks and made them look bad in public opinion. There is also a share of private banks' assets in the frozen assets of Afghanistan. The Afghan government took this as a guarantee and then stored the money in international banks and financial organizations. The problems of these private banks increased with the freezing of assets. Moreover, they lost many customers, and the value they had worked on for years was lost at the speed of light.

A series of special restrictions were imposed by the ruling government in order to protect the banking sector, which was the best measure to prevent the banks from going bankrupt. However, on the other hand, there were still complaints from the public about the banking system. Furthermore, businessmen cannot withdraw their cash above the specified amount, and this has had a negative impact on business and transactions. With this decision, investors no longer see the bank as a safe place for their cash assets, and the banking system has come under question. Businessmen keep their cash assets with themselves, money changers, or other businessmen, which causes a series of problems. Private banks are not to blame here because they are also obliged to comply with the principles set by the government. Afghanistan Bank gives less money to private banks against their expectations, and with this, the customers of private banks can only withdraw the same fixed amount of Afghani, equaling 200 dollars.

Another issue that private banks are facing with is that more than half of their employees have been laid off, and the unemployment rate has risen. Actually, now banks only provide money saving and payment services; Murabaha and mudaraba services cannot be done due to people's mistrust of and restrictions on the banking sector. With the freezing of Afghanistan's assets, foreign banks and financial institutions have stopped cooperating with all Afghan banks for transactions and commercial activities, and foreign banks and investors have stopped investing in Afghanistan's banking system, so this measure may lead Afghan banks to bankruptcy. On the other hand, foreign investors might not intend to invest in Afghanistan.

Recently, with the development of the banking system, many banks have installed ATMs in different places, which can be used 24 hours a day by the public. However, with the change and freezing of the system, this measure has gone to zero, and now ATM services cannot be performed. The services of ATMs have gone to zero and are not performed with the frozen assets of Afghanistan. Moreover, due to the above measures in the banking system, some challenges and problems have arisen in the field of online payment. Additionally, international banks are also reluctant to offer the facilities they have with banks in other countries because they are reluctant and have a fear that they might see a loss.

It is common that when the banking system or the situation in a country is getting worse, people think that they should withdraw their assets as soon as possible in order to avoid further losses. Moreover, on the one hand, the government bank does not provide money to private banks, and on the other hand, the customers try to withdraw all or most of the money, thus paralyzing the banking system and threatening the country's financial system, which is based on banking services. Due to the freezing of Afghanistan's assets, the Afghanistan bank cannot print new banknotes, and if the process of printing new banknotes becomes delayed, Afghan banknotes will become outdated. As a result, the economic and social problems will affect the transaction system. In short, because of the freezing of Afghan assets, distrust in the Afghan banking system has arisen, and people there prefer not to use banking services.

Non-recognition of the current government of Afghanistan, international sanctions, and other struggles and hardships have caused the economic situation of Afghanistan to deteriorate. This matter is serious because the United Nations, the International Red Cross Committee, and international rescue organizations state in their reports that 90 percent of Afghans are in dire need of basic humanitarian aid. After the political changes and sanctions, the entire Afghan nation has faced severe hardships. Additionally, unemployment and the unknown fate and future of the country have worried people a lot. Furthermore, according to an official survey of the World Bank, Afghanistan's business and banking systems have been seriously affected by the political changes and sanctions (Akbari, 2022).

### **Effects of asset freezing on Afghan trade**

Trade is recognized as an essential factor in the economic cycle of a country. Afghanistan, which has always faced challenges and problems in the field of business and been kept under pressure due to the lack of access to the sea, has also, in recent times, faced other hardships and challenges due to the asset freezing issue. Following the US freezing of Afghan assets, money transfers and transactions by Afghan businessmen and commercial companies have ceased, negatively impacting not only Afghan trade, commercial companies, and businessmen, but also overseas commerce, commercial companies, and businessmen. Moreover, due to the blockage of national and international trade, the prices of goods and materials have also increased.

Before the Afghan asset freezing issue, the additional fee on commercial cash transfers used to be charged at \$100 per \$1,000,000. Due to the Afghanistan asset freezing issue, the commercial fee on commercial cash transfers is up to \$4,000

per \$100,000 because the entire transaction is done through referrals and the money exchange system. Due to this, the prices of goods have increased. Since Afghanistan's trade and transit are almost done with Pakistan, and currently Pakistan is suffering from an economic crisis, and doing all its financial affairs under the supervision of the International Monetary Fund (IMF), it is not possible to conduct an open-hearted transaction with Afghanistan. Consequently, Afghan businessmen are forced to pay an additional fee for transferring their money and settling their financial accounts until they find a suitable way. Sending money through exchanges and referrals was also completely stopped by the IMF, and then Afghan and Pakistani businessmen also talked about barter trade, but this decision did not take a practical form. Additionally, money transferring through exchanges and referral systems was completely stopped by the IMF, so Afghan and Pakistani businessmen talked about barter trade, but the deal did not become successful.

Businessmen are not only facing problems in import but also export, which has become a big headache for Afghan traders, especially now that the export of minerals has increased in Afghanistan. According to the official figures of the current Afghan government, with the arrival of the Islamic Emirate of Afghanistan, exports have increased, and trade between Afghanistan and Pakistan has also increased. While the trade between Afghanistan and Pakistan has been decreasing day by day under the previous government (Stanikzai A., 2022).

Prior to the Afghanistan asset freezing issue, money was easily transferred through private banks, making the transaction process much easier and cheaper. Due to the collapse of the banking system and a series of restrictions on the banking system, businessmen have been suffering more losses. Miwand Bank, which is one of the most effective private banks in Afghanistan, had previously created many facilities for businessmen in terms of transactions; however, after the political changes, the said bank was completely bankrupt and the businessmen were forced to withdraw their capital. When the United States announced the freezing of Afghanistan's assets, businessmen and commercial companies were only allowed to withdraw 5 percent of their capital, which has created many problems in terms of financial transactions.

After the postponement of bank transfers, businessmen started looking for physical transfers of money, and most of them were willing to pay in cash for transactions with Pakistan and Iran. But the physical transfer of money was also difficult because the Islamic Emirate did not allow it. When the Taliban took power in Afghanistan and international financial aid was stopped, the stability of the Afghani was seriously threatened until the Afghani doubled its value against the dollar, so the government was forced to take serious measures to keep the stability of the Afghani. Immediately, the government imposed a strict ban on the transfer of dollars abroad.

### **Drawbacks of freezing deposited assets**

The freezing of Afghan assets by the United States has had a profound effect on the economic situation in Afghanistan. In the political arena, it can damage the impact of governance and could have a bad image from a global perspective. We have already stated that the deposited assets of Afghanistan are also used in imports, so the import sector can be severely damaged. It is obvious that the economy of Afghanistan is heavily dependent on imports, so this part has been damaged so much because the prices of goods on the market have risen unprecedentedly and there is a great possibility of human disaster. At this time, the countries are forced to reduce the accumulated assets, which is called the balance of payments deficit. Furthermore, one point should be clarified: the US did not impose economic sanctions on Afghanistan, but only frozen its assets, preventing the Taliban from accessing them until the measures promised by them are implemented.

Another big loss was that the Central Bank of Afghanistan offered dollars to the market for sale three times a week in order to maintain the stability and value of the Afghani. As financial deals and transactions in Afghanistan are done on a large scale in dollars, the country was forced to use the dollar in all financial transactions. Besides, price stability is an important goal for the Afghanistan Bank. When the supply of dollars on the market decreases, the prices go up, and the rising prices make our economic and financial situation weaker and worse. Moreover, in the frozen assets of Afghanistan, the assets of some commercial banks and businessmen are also included. Some economic experts believe that if the frozen asset is released, the current government will waste it due to the lack of an effective and systematic mechanism, so it is better to keep it safe in international banks and international financial institutions (Jawad, 2021).

Deborah Lines, the UN Special Representative for Afghanistan, also requested that the frozen assets of Afghanistan be released to avoid a humanitarian disaster in Afghanistan. He also expressed his deep concerns about the misuse of the money (Vakil, 2021). The ruling governments of Afghanistan, China, Russia, Pakistan, the United Nations, SIGAR, and the Red Cross organizations have repeatedly demanded the release of Afghanistan's valuable assets. Afghans have also held protests in different provinces of the country.

### **Recommendations**

1. Since the international sanctions are not in the favor or interest of anyone, the US and the international community need to interact with the current government of the Taliban because the bad consequences of these financial sanctions are aimed at the Afghan nation, and the common people are directly affected by them.
2. It is also useful for the current government of the Taliban to carry out governance affairs according to the commitment made to the international community in order to repair political, economic, and social relations according to a chosen interaction with the international community. To fulfill all the mentioned requirements, the ruling government should take advice and information from academic and knowledgeable people.

3. It has been suggested that, to improve Afghanistan's economy, the international community should set up a special budget and management for basic projects in Afghanistan. This could be used as a reliable way to prevent an economic disaster in the country.
4. It is suggested to the current government of the Taliban to get together and work together with various parties, welfare and charitable organizations, and competent and knowledgeable people to strengthen and stabilize the economic situation of Afghanistan and to start and implement basic projects for the purpose of economic development.
5. Other researchers are encouraged to conduct additional research on the effects of freezing valuable assets on the public sector and to share their findings and ideas with the international community and the Afghan government in order to find better ways and solutions to prevent future economic failures.

## Conclusion

Freezing the assets of Afghanistan and leaving Afghanistan alone in the financial sector by the US is not only a loss for Afghanistan but also a loss for the international community, and it will take a lot of time to make the financial situation normal. This frozen asset is the capital of the Afghanistan Bank, which has been placed in international banks and financial institutions to maintain the stability and value of Afghani, and this asset cannot be used for the ordinary or development budget in any case. Furthermore, there is a widespread misconception that this asset is used to pay the salaries of government employees and to fund national projects. However, it is not like that, as the public thinks; it is the capital of the Central Bank of Afghanistan, which has been deposited in international financial institutions to maintain the value of the Afghani. Besides, through this reserve, the central bank of Afghanistan controls its monetary policy and does not let the Afghani lose its value. Of course, there are some commercial bank shares, but they are all placed from the Central Bank of Afghanistan's address.

Due to the asset freezing issue, the banking system of Afghanistan has been traumatized and this leads to the emergence of more distrust of the people in the banking system. In the last 20 years, the banking system of Afghanistan has flourished, been shaped in a better direction, and gained public trust. Furthermore, many problems and challenges have arisen in the fields of trade and transit. For instance, businessmen cannot openly send or receive money through banks; because of this, factories in many sectors have been closed and thousands of people have lost their jobs.

The researcher concluded that if the assets of Afghanistan remain frozen, it is a very harmful decision that will bring down the value of the Afghan currency and spoil the public's mind. Moreover, economic sanctions are not in anyone's favor, whether it is the current government of Afghanistan or the international community. Because the international community should provide humanitarian aid to the needy Afghans in order to avoid a humanitarian disaster. Furthermore, the ruling government should come to the negotiation table and interact with the international community to create a spirit of trust and cooperation. Additionally, the international community, especially the United States of America, should make a fruitful and effective mechanism to release the frozen assets of Afghanistan as soon as possible to avoid an economic and social disaster. Besides, the ruling government of the Taliban should work hard to be recognized by the international community, lobby to attract international aid, prepare the ground for the implementation of major projects, and provide job opportunities for Afghans.

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