

Monetary and Credit Policies in 1404, Q3 (September 23, 2025-December 21, 2025)

- In the third quarter of 1404 (September 23, 2025-December 21, 2025), the CBI continued with its regular policy of conducting the Open Market Operations (OMOs) and providing standing facilities to banks (as two monetary policy tools), with the aim of managing liquidity and adjusting the interest rate with the targeted policy rate in the interbank market. Accordingly, based on its forecasts for Q3, the CBI took measures to inject liquidity in the interbank market in the form of repurchase agreements (repos), using the OMOs carried through scheduled weekly auctions.
- In order to ensure the effectiveness of the "Rules Governing the Quantitative Control of Banks' Balance Sheet" in achieving liquidity targets and curbing inflation, these rules have been continuously reviewed during their implementation period. Following an assessment of banks' responses with regard to asset composition and money creation, amendments were made in Q3 to better support liquidity management, inflation control, and the strengthening of banking stability and soundness. Among the most important changes introduced and sent to the banking network for implementation were: shifting the focus of balance sheet control from assets to liabilities, revising evaluation criteria with an emphasis on banking soundness, improving the guidance and allocation of resources, and reviewing supervisory and disciplinary measures in accordance with the Law of the Central Bank of the Islamic Republic of Iran.
- The increase in the liquidity growth rate in recent months has been attributed to the implementation of part of Article 46 of the Law on Removing Barriers to Production and the rise in the CBI's repo rate, due to the high volume of government bond issuance anticipated under the law. Therefore, pursuant to the approval of the Monetary and Foreign Exchange Policy Council in its 39th Meeting dated September 23, 2025, on the subject of "Liquidity Growth Targeting in the Second Half of 1404", the annual liquidity growth target for the end of 1404 was set at 32 ± 3 percent. In addition, the target for Q3 was set at 32 percent. The same approval also stipulated that banks whose net debt growth falls between 32 percent and 35 percent will not be considered as infringers of CBI's regulations governing the quantitative control of banks' balance sheets for the second half of 1404, subject to the determination of the CBI's Regulation and Supervision Department.
- With regard to other credit policies and measures, the CBI disbursed 1,490 trillion rials in marriage loans to 444,000 people and 330 trillion rials in childbearing loans to 360,000 applicants from the beginning of 1404 until 10th of Azar (March to December 2025). During the same period, operating banks also provided 530 trillion rials worth of facilities as security deposit for rental houses, representing an increase of more than 63 percent compared with the same period in the previous year.
- In line with the goal of developing instruments for production chain financing, redirecting liquidity toward productive economic activities, and facilitating financing for enterprises and households, it is to be noted that

financing through production chain instruments exceeded 540 trillion rials from the beginning of 1404 to the first half of Azar (March to December 2025). Financing through the issuance of GAM papers (generative credit certificates for the interest-free short-term financing of producers, businesses, and legal entities purchasing goods and services), electronic bills of exchange, and a welfare card program linked to GAM papers during this period amounted to 208, 338, and 13 trillion rials, respectively.

- According to the 41st Meeting of the Monetary and Foreign Exchange Policy Council dated October 6, 2025, it was decided to raise the individual ceiling on Qarz-al-hasanah facilities for employment and home businesses from 1.5 billion rials to 2 billion rials; on facilities extended for job categories approved by the CBI's Monetary and Credit Operations Committee from 3 billion rials to 3.5 billion rials; and on employer-provided facilities for employee recruitment from 40 billion rials to a maximum of 50 billion rials. In addition, the individual ceiling on Qarz-al-hasanah employment facilities for knowledge-based, technological, and innovative companies was set at 9 billion rials. A separate individual ceiling of 30 billion rials was set for their creation, development, and production projects.
- The 49th Meeting of the Monetary and Foreign Exchange Policy Council dated November 30, 2025, subsequently increased the individual ceiling on facilities extended to university faculty members for house purchase by 25 billion rials, and raised the individual ceiling on facilities disbursed as security deposit for rental houses by 7 billion rials. Concurrently, the individual ceiling on facilities for house purchase and construction was also raised by 20 billion rials for distinguished, highly experienced experts in government economic institutions.