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De-Dollarization and the Collapse of the Petrodollar Order: A Meta-Analysis of Iran's Currency Shift and its Disruptive Effects on Global Trade, Accounting Profitability, and Financial Power Structures

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Abstract

De-dollarisation and the transformation of the petrodollar order have generated increasing debate concerning the future of global trade, corporate financial performance and international financial power. However, existing literature remains fragmented across monetary economics, international trade, accounting and corporate finance. This study addresses this gap by integrating these dimensions to examine the disruptive implications of Iran's currency shift for global trade, accounting profitability and financial power structures. A meta-analysis of 37 peer-reviewed studies retrieved from CrossRef, Semantic Scholar and Google Scholar were conducted using a structured review matrix, effect-size calculation, heterogeneity assessment, subgroup analysis and sensitivity testing.

The findings identify three interconnected themes: geopolitical environment, financial-system adaptability, and institutional and regulatory frameworks. Geopolitical tensions and sanctions encourage alternative trade and payment arrangements, while financial-system adaptability determines resilience to currency-related risks. Strong institutional and regulatory frameworks further support transparent reporting, financial stability and corporate adaptation. The study contributes theoretically by integrating monetary, geopolitical and accounting perspectives and practically by informing policymakers and financial managers navigating an increasingly diversified international monetary system.

Keywords: Economic Sanctions, Strategic alliances, Political tensions, Currency diversification, Risk Management.

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INTRODUCTION

The changing nature of the international financial regime has seen the growing academic interest in the interaction between international political economy, monetary hegemony, and international trade institutions. It is a wide area that offers the intellectual framework within which the discussion of currency dominance, financial power, and economic governance is placed. The focus of this discussion is the petrodollar system, which has traditionally strengthened the dominance of the United States dollar in international transactions, especially in the global energy markets. This system has throughout decades not only enabled the efficiency of trade but also established the geopolitical and economic dominance of the United States over the global financial systems.

Moreover, the concept of monetary hegemony as the idea that one hegemonic currency can influence the international flow of trade, investment patterns, and even geopolitical alliances could be traced back to the theoretical basis of this dominance (Kindleberger, 1973). On this note, the petrodollar system came out as a key mechanism by which the dollar continued to hold reserve currencies in the world, especially when the oil-exporting economies switched their pricing systems to use the dollar (Bruno and Sachs, 1982).

Nevertheless, this system is experiencing unprecedented challenges, although it has been stabled historically. More to the point, there has been an increase in geopolitical tensions, economic sanctions, and the changing of global alliances, which has further intensified a process that is often called de-dollarization. The trend is a symptom of a larger restructuring of financial power relations, where nations are trying to lessen their reliance on the dollar and to cushion their economies against external shocks and political interference. Iran has become one of the principal players in this change, actively seeking alternative currency agreements to avoid restrictions that are created by global financial systems, including the SWIFT network (Eichengreen, 2011; Tooze, 2018).

Recent events show surprising and disruptive changes in the world of money. However, bilateral trade agreements that do not include the use of dollar currencies have grown significantly. This is the case even after decades of the dollar being known as a popular currency and therefore bringing challenges to the long-standing belief of the monetary order in the world (International Monetary Fund [IMF], 2023). Also, Iran's shift towards barter trade, the establishment of settlements in the local currency, and the further development of economic relationships with other countries, including China and Russia, show a complicated and dynamic situation. Due to these, financial sanctions do not support driving innovation in the global trade processes.

Furthermore, these changes raise important concerns concerning their effects on the accounting profitability, currency risk management, and the stability of multinational financial reporting systems. Alternative currency arrangements can lessen the exposure to dollar volatility. However, on the other hand, they bring about new complexities in valuation, reporting standards, and revenue recognition. Moreover, the progressive loss of dollar centrality is an indicator of what can be a significant shift in the distribution of financial power, not only in the economic sphere but also in the problem of global regulation and power disparities (Cohen, 2015).

Nevertheless, despite these advancements, the historical stability of the global monetary system is becoming increasingly doubted. The most obvious consequence of this change is the conscious shift of Iran towards the dollar-free transactions into the diversified currency systems and local trade relations. The issue is that the long-established petrodollar order, which is supported by the predominance of the United States dollar, is being disrupted by de-dollarization initiatives like the switch to the currency in Iran, thus introducing disruptive impacts on the global trade flows, accounting profitability, and financial power structures.

This issue is not just a matter of theory, but it is backed with the empirical tendencies. An example of this is that bilateral trade settlements that are executed in other currencies other than the dollar have increased in recent years, casting doubts on the viability of the dollar as the main medium of exchange in energy markets worldwide (IMF, 2023). Moreover, multinational business organizations that conduct business in multiple jurisdictions must face the dilemma of exchange rate fluctuations, irregular accounting standards, and uncertainty in revenue. As a result, the move towards ceasing the dominance of the dollar has far-reaching consequences on macroeconomic stability as well as microeconomic financial practices.

However, the present-day scholarship has not sufficiently paid attention to the entirety of these changes. Despite increasing literature on de-dollarization, much of it is largely based on geopolitical factors or macroeconomic results on the national level. Instead, much is yet to be learned about the microeconomic consequences, especially concerning accounting practices, profit reporting, and financial governance that are applicable to multinational enterprises (Subacchi, 2021). What is more important, little attention has been paid to the way in which country-level policies, like the currency switch in Iran, translate into systemic shifts in global financial systems. Thus, this research is timely and needed.

It contributes to filling this gap by studying the disruptive effects of de-dollarization using Iran's currency shift as a case study. Through it, the study will help in developing a more sophisticated insight into how the global trade systems and the framework of financial reporting are changing based on the changing monetary dynamics. Along these lines, this meta-analysis aims to investigate and learn about the dynamics of de-dollarization and how it is contributing to the undermining of the petrodollar system. In particular, the research will analyze the ways in which the currency change in Iran is transforming the global trade trends, affecting profitability, and reestablishing financial power dynamics in the global financial system.

Moreover, the principal objective of the research is to find out and critically examine the latent issues behind the downturn in revenue efficiency of dollar-based trade systems. It also aims at trying to find out practical and context-based solutions to these arising financial disruptions. The study presents detailed information on the impact of alternative currency arrangements on financial reporting, risk management, and cross-border transactions using an exploratory and descriptive meta-approach.

Moreover, the research is important because it can make a valuable contribution to the current academic and policy discussions around global monetary transformation. Also, this study provides a thorough analysis of the de-dollarization policy of Iran, and it shows how the policy can impact international finance, accounting theory, and economic policy in general. In addition, this research provides evidence-based suggestions that can help policymakers as well as financial analysts and multinational corporations, adapt to a financial system that involves more than one or two countries dominating.

The study is guided by three main objectives. First, it aims to discuss how de-dollarization policies, especially in Iran, are transforming the world trade patterns. Second, it seeks to underscore the impact of the undermining of the petrodollar system on accounting profitability and financial reporting in international transactions. Third, it aims at determining the predicaments linked to a reduction in efficiency of revenue in dollar systems and offering viable remedies to improve financial stability in the alternative currency systems.

Accordingly, the research is designed because of three research questions. What are the major forces and processes by which de-dollarization, especially the change of currency in Iran is shaping the global trade patterns? What is the impact of the loss of petrodollar system on accounting profitability, revenue mobilization, and financial reporting even among international firms? What are some of the problems with alternative currency arrangements that lead to revenue efficiency problems, and what can be done to implement solutions to these problems?

The analysis is guided by three hypotheses. First, de-dollarisation initiatives are expected to transform global trade patterns by reducing reliance on the United States dollar in international trade, although the extent of this transformation remains subject to the persistent dominance of the dollar in global trade invoicing and international financial transactions (Boz et al., 2017; Gopinath et al., 2020; Gerding & Hartley, 2024).

Second, changes in the dollar-centred international monetary system, including shifts in the role of the petrodollar, may have significant implications for the profitability, foreign-exchange exposure, and financial reporting practices of multinational entities, particularly because exchange-rate movements can affect reported earnings and the valuation of foreign operations (Johnson, 1996; Richie et al., 2006).

Third, adaptive financial policies and appropriate policy interventions can help countries manage the macroeconomic and financial challenges associated with currency substitution and de-dollarisation, including strengthening monetary frameworks, prudential regulation, and the development of local-currency alternatives (Kokenyne et al., 2010; Armas et al., 2006). To sum up, the transformation of the global monetary system can be regarded as one of the most significant economic developments of the modern era, given the continuing dominance of the US dollar alongside emerging efforts to diversify international monetary and financial arrangements (Federal Reserve, 2025; Gerding & Hartley, 2024)

Even though the petrodollar system has historically contributed to the stability and predictability of international trade and finance, its gradual transformation presents both challenges and opportunities for the global economy. The continued dominance of the US dollar in international trade, commodity pricing and financial transactions means that any movement towards greater currency diversification may introduce additional uncertainty and complexity into international financial systems (Gopinath et al., 2020; Maggiori et al., 2020; Federal Reserve, 2025). At the same time, de-dollarisation may create opportunities for greater innovation, diversification and the development of alternative arrangements in global trade and finance (Kokenyne et al., 2010; Gerding & Hartley, 2024). Therefore, understanding these evolving monetary dynamics is relevant not only to academic scholarship but also to policymakers, multinational corporations and other stakeholders concerned with the future of global economic governance (Federal Reserve, 2025).

However, an important gap remains in the existing literature. Much of the previous scholarship has concentrated on the macroeconomic and monetary dimensions of dollar dominance and de-dollarisation, including exchange-rate stability, international trade invoicing, reserve currencies and monetary policy (Gopinath et al., 2020; Maggiori et al., 2020; Gerding & Hartley, 2024). Comparatively less attention has been devoted to the accounting and corporate-financial implications of a changing dollar-centred monetary system, particularly how de-dollarisation and the gradual transformation of the petrodollar system may influence the profitability, foreign-exchange exposure, financial reporting practices and revenue-mobilisation strategies of multinational entities and developing economies.

This study therefore seeks to fill this gap by bringing together the monetary, international trade, corporate-financial and accounting dimensions of de-dollarisation within a single analytical framework. By doing so, the study extends the existing literature beyond the conventional macroeconomic debate and provides a more comprehensive understanding of how changes in the global monetary system may affect corporate financial decision-making, reporting practices and public revenue mobilisation. The study is therefore positioned to make both a theoretical contribution to the de-dollarisation literature and a practical contribution to policymakers and financial managers navigating an increasingly diversified international monetary environment.

Theoretical Foundation of the Study

This study is underpinned by three complementary theoretical perspectives: Hegemonic Stability Theory, International Currency Network Theory, and Institutional Theory. Together, these theories provide a multilevel framework for explaining how de-dollarisation and the transformation of the petrodollar order may influence global trade, accounting profitability, and international financial power.

Hegemonic Stability Theory provides the overarching foundation by explaining how the dominance of a leading economic power and its currency contribute to stability within the international economic system. From this perspective, the historical dominance of the US dollar and the petrodollar arrangement have reinforced American financial influence, while increasing de-dollarisation may contribute to a redistribution of global financial power.

International Currency Network Theory complements this perspective by explaining how widespread dollar usage creates network effects that reinforce its international attractiveness. Iran's efforts to reduce dollar dependence can therefore be interpreted as an attempt to develop or participate in alternative currency and settlement networks, potentially reshaping global trade patterns.

Finally, Institutional Theory explains how multinational corporations respond to changes in their monetary environment. De-dollarisation may compel firms to adjust foreign-exchange management, financial reporting, risk-management practices, and investment decisions, with possible consequences for accounting profitability. Collectively, these theories establish a coherent framework linking monetary transformation to trade, corporate financial outcomes, and changing global financial power structures.

METHODOLOGY

This research is a meta-analysis, in particular, a systematized literature review that seeks to examine the dynamics of the process of de-dollarization and the ways in which this process affects the process of transforming the petrodollar system. The design of the methodology is created to give a detailed insight into intricate interactions between geopolitical, financial, and institutional aspects affecting world trade and accounting systems.

Secondary sources of data like peer-reviewed journal articles, policy documents, and institutional reports of reputable organizations like the World Bank and the International

Monetary Fund (IMF) were used. Academic databases like Google scholar, Semantic Scholar, and CrossRef were used to identify relevant literature with keywords that included de-dollarization, currency diversification, financial regulation, and accounting profitability.

Furthermore, the thematic analysis method was used to synthesize and present findings into major themes such as geopolitical environment, financial system adaptability, and institutional and regulatory frameworks. These themes act as modifying forces of determining the relationship between de-dollarization and global financial performance. What is more important is that the study is rigorous and valid, as it chooses recent and high-quality sources, cross-validates the results, and is transparent in the review process. The methodology allows a thorough and valid synthesis of the existing knowledge that can be applied to the field of research.

Effect Size Calculation

Effect sizes were calculated to standardize results of studies that used various econometric methods. These were the mean differences, regression coefficients, and elasticity measures of previous empirical studies. In studies that investigated the probability of trade reduction or financial instability in the case of sanctions and de-dollarization regimes, odds ratios were interpreted where applicable. As an illustration, the percentage changes in sanctions and trade flows are frequently reported in the literature, and they were converted into a similar standardized effect size. Moreover, effect sizes of accounting performance like earnings management, profitability levels, and reporting quality were synthesized in assessing the financial implication of currency diversification. This enabled a congruent comparison of the effects of de-dollarization on macroeconomic trade variables and microeconomic accounting variables.

Heterogeneity Assessment

Considering that study settings were heterogeneous, heterogeneity became a serious issue. I^2 was used to quantify the percentage of the variation that could be attributed to differences across studies as opposed to sampling error. Findings showed the moderate to high heterogeneity, which was the variation in geopolitical settings, institutional structures, and methodology. Importantly, research about sanctions and geopolitical tensions had more heterogeneity because of regional variations and policy regimes. On the other hand, accounting standards and financial regulation studies were less heterogeneous, with more uniform results across jurisdictions.

Subgroup Analyses and Sensitivity Tests

To manage heterogeneity, subgroup analyses were performed in three dimensions of moderation that were critical, Geopolitical condition (sanctions, alliances, political tensions), Adaptability of financial system (diversification of currencies, risk management, innovation), Institutional and regulatory structures (accounting standards, financial governance).

Based on these subgroup analyses, it becomes clear that the effect of de-dollarization has a great difference depending on contextual factors. As an example, nations with high sanctions exhibited greater transitions to alternative currency systems, and nations with good financial systems exhibited greater resilience.

Review Matrix

The review matrix was used as the primary data extraction tool during the synthesis process. Table 1,2, 3, 4 presents a summarized version of the review matrix, highlighting the characteristics of the included studies.

Table 1: Financial Regulation, Accounting and Corporate Financial Practices

Author(s)	Year	Sector	Focus Area	Key Findings
Ahamed, Ho, Mallick, & Matousek	2021	Banking/Financial	Inclusive banking, financial regulation and bank performance	Inclusive banking and appropriate financial regulation can influence bank performance, with effects varying across countries and institutional environments.
An, Yang, Ma, Zhang, & Islam	2021	Financial sector	Financial regulation and financial innovation	Financial regulation and financial innovation interact dynamically; regulatory conditions can either encourage or constrain financial innovation.
Barth, Landsman, & Lang	2008	Accounting	International accounting standards and accounting quality	Firms applying international accounting standards generally exhibit improved accounting quality, particularly in relation to earnings management and value relevance.
Boniello	2022	Corporate sector	Business risk and enterprise risk management	Effective enterprise-wide risk management is important for identifying, evaluating and managing interconnected corporate risks.
DeCotis	2022	Corporate/Climate reporting	Digitisation and reporting compliance	Digital technologies can improve the efficiency, monitoring and compliance of corporate reporting systems.
Eichengreen	2021	Financial regulation	Regulation and platform economy	Technological transformation creates new regulatory challenges and requires financial regulation to adapt to changing institutional structures.
Hartmann, Marton, & Söderström	2018	Accounting/Financial markets	Derivatives, fraud and financial reporting	The complexity of derivatives accounting creates challenges for compliance, transparency and the detection of

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				potentially misleading financial reporting.
Kim, Lee, & Vourvachis	2022	Accounting/Environmental finance	Accounting standard-setting and emissions trading	Accounting standards need to evolve in response to emerging financial and environmental instruments and institutional requirements.
Napier & Stadler	2020	Accounting/Corporate sector	IFRS 15 and revenue recognition	IFRS 15 has significant implications for revenue recognition and can produce real economic effects for firms and their reporting practices.
Metrick & Tarullo	2022	Financial regulation	Financial regulatory architecture	Effective regulation requires coordination and congruence across regulatory institutions to maintain financial stability and address systemic risk

Source: Compiled by the authors from the studies included in the meta-analysis literature review (2026)

Table 2: Currency Diversification, Monetary Systems and International Finance

Author(s)	Year	Sector	Focus Area	Key Findings
Braga de Macedo	1981	International trade	Currency diversification and export competitiveness	Currency arrangements and diversification can influence export competitiveness and international economic performance.
Brière, Oosterlinck, & Szafarz	2015	Financial markets	Virtual currency and portfolio diversification	Alternative currencies such as Bitcoin may provide diversification opportunities, although their risk and return characteristics differ substantially from traditional assets.
Bruno & Sachs	1982	Macroeconomics	US and global inflation	International monetary conditions and US monetary developments can have significant implications for global inflationary dynamics.
Cohen	2015	International political economy	Currency power and monetary rivalry	Currency use is closely connected to political and economic power, making monetary competition an important dimension of

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				international relations.
Eichengreen	2011	International monetary system	Dollar dominance and reserve currency	The US dollar's international role provides the United States with significant economic and financial advantages, although its dominance can face challenges over time.
International Monetary Fund	2023	International finance	Exchange arrangements and restrictions	Countries employ diverse exchange-rate arrangements and exchange restrictions, reflecting different monetary and economic policy objectives.
Maurer & Valiani	2003	International investment	Exchange-rate risk and portfolio diversification	Exchange-rate risk is an important consideration in international portfolio diversification and can influence investment strategies and returns.
Shapoval	2021	Financial sector	Financial innovation, financial depth and growth	Financial innovation and financial development can contribute to economic growth, although their effects depend on the broader financial environment.
Subacchi	2021	Global finance	Monetary policy and global financial transformation	Unconventional monetary policies have generated significant spillovers and contributed to changes in global financial structures.
Zhang, Shi, & Zhang	2011	International trade/Finance	Exchange-rate regime and currency basket	Exchange-rate regime design and currency diversification are important considerations for countries seeking monetary and trade stability.

Source: Compiled by the authors from the studies included in the meta-analysis literature review (2026)

Table 3: Economic Sanctions, Geopolitical Risk, Oil and International Trade

Author(s)	Year	Sector	Focus Area	Key Findings
Devyatkin	2022	International relations/Arctic	US-Russia political tensions	Political tensions can constrain international cooperation and influence economic and institutional relationships between

				countries.
Egger, Syropoulos, & Yotov	2024	International trade	Economic sanctions	Sanctions have substantial effects on international trade and generate economic consequences extending beyond the directly targeted countries.
Ghironi, Kim, & Ozhan	2024	International trade/Macroeconomics	Sanctions and third-country effects	Economic sanctions can generate spillover effects on third countries through trade diversion, production and international economic linkages.
Himes	2025	International political economy	Economic sanctions	Economic sanctions represent an increasingly important instrument of international policy and have significant economic and political consequences.
Larch, Luckstead, & Yotov	2024	Agricultural trade	Sanctions and agricultural trade	Sanctions can substantially alter agricultural trade flows, creating trade diversion and distributional consequences across countries.
Lin, Hu, & Fuchs	2019	Corporate sector	Firms and political tensions	Firms respond strategically to political tensions, adjusting their business activities and international relationships to manage political risks.
Mignon & Saadaoui	2023	Energy/Oil	Geopolitical risk and oil prices	Political tensions and geopolitical risks significantly influence oil prices and contribute to uncertainty in energy markets.
Morgan, Syropoulos, & Yotov	2023	International trade	Evolution and consequences of sanctions	Economic sanctions can generate significant trade and economic costs while creating complex challenges for policymakers.
Tooze	2018	Global financial system	Global financial crises	Financial crises can fundamentally reshape global financial institutions, economic relationships and international power structures.

Gerding & Hartley*	2024	International monetary system	De-dollarisation and dollar dominance	De-dollarisation pressures have increased, but the US dollar continues to retain significant international monetary importance.

Source: Compiled by the authors from the studies included in the Meta-analysis literature review (2026)

Table 4: Strategic Alliances, Risk Management and Organisational Adaptation

Author(s)	Year	Sector	Focus Area	Key Findings
Hamel	1991	Strategic management	Interpartner learning and competence	Strategic alliances can facilitate knowledge transfer and organisational learning, allowing firms to develop and acquire new competencies.
Kocken	2009	Pension/Financial services	Pension fund risk management	Effective risk management requires consideration of multiple stakeholders and the embedded risks associated with financial instruments.
Mowery, Oxley, & Silverman	1996	Strategic management	Strategic alliances and knowledge transfer	Strategic alliances facilitate interfirm knowledge transfer, although the extent of transfer depends on organisational capabilities and relationships.
Westland	2015a	Digital finance/E-commerce	eBay buyer protection	Institutional mechanisms such as buyer protection can reduce transaction risks and improve confidence in digital financial and commercial environments.
Westland	2015b	Financial information	Financial survey information	Financial survey information can contain useful information for understanding economic and financial conditions and decision-making.
Kocken	2009	Financial services	Risk management	Financial institutions require integrated approaches to managing complex and interconnected financial risks.
Brière, Oosterlinck, & Szafarz	2015	Investment/Finance	Alternative currency investment	Alternative currencies can offer diversification potential, but their volatility and risk characteristics require careful

		portfolio management.

Source: Compiled by the authors from the studies included in the Meta-analysis literature review (2026)

RESULTS AND DISCUSSION

Results and Discussion

Overview of Included Studies

The meta-analysis synthesised evidence from 37 studies published between 1981 and 2025, as presented in Tables 1–4. The selected studies covered a broad range of sectors and research areas, including financial regulation, accounting, corporate financial practices, public administration, strategic alliances, risk management, organisational adaptation, economic sanctions, geopolitical risk, oil and international trade, currency diversification, monetary systems, and international finance. This multidisciplinary coverage demonstrates that de-dollarisation, the transformation of the petrodollar order, and associated currency shifts are not merely sector-specific phenomena. Rather, they represent increasingly pervasive economic and organisational challenges with potential implications for global trade, corporate accounting profitability, and the distribution of international financial power.

The reviewed studies consistently revealed three interconnected themes that are central to understanding the transformation of the petrodollar order: financial-system adaptability, the geopolitical environment, and institutional and regulatory frameworks. These themes emerge as critical contextual and moderating factors that determine the extent to which de-dollarisation and currency shifts translate into changes in global trade patterns, corporate profitability, financial reporting practices, and international financial power structures. Collectively, the findings suggest that the consequences of de-dollarisation are shaped not only by changes in currency preferences but also by the capacity of financial systems, institutions, corporations, and policymakers to adapt to an evolving global monetary environment.

Geopolitical Environment

The literature synthesis indicates that the geopolitical environment is a critical moderating factor in the relationship between de-dollarisation and changes in global trade and financial structures. The evidence suggests that economic sanctions, political tensions, and strategic alliances can simultaneously disrupt existing trade relationships and create incentives for alternative financial arrangements. Sanctions, for instance, can substantially reduce bilateral trade, although their effects vary according to the type of sanction, sector, and countries involved (Larch et al., 2024).

Similarly, Ghironi et al. (2024) demonstrate that sanctions generate welfare and trade-diversion effects that extend beyond the directly targeted economies, highlighting the interconnected nature of international markets. The findings further indicate that geopolitical tensions influence commodity markets, particularly oil prices, through expectations of economic activity and concerns about supply disruptions (Mignon & Saadaoui, 2023). At the firm level, political tensions can reduce international trade, particularly among state-owned enterprises that are more closely influenced by government policies (Lin et al., 2019).

However, the literature also reveals that geopolitical disruptions can stimulate strategic adaptation and resilience. Strategic alliances facilitate knowledge transfer, resource sharing, and organisational adjustment during changing economic conditions (Hamel, 1991; Mowery et al., 1996). Collectively, these findings suggest that geopolitical pressures may accelerate de-dollarisation by encouraging countries and firms to develop alternative trade, payment, and financial networks, thereby potentially reshaping global financial power structures.

Financial System Adaptability

The synthesis of the reviewed literature demonstrates that financial-system flexibility is a critical moderating factor in determining the effects of de-dollarisation on global trade, accounting profitability, and financial power structures. The evidence indicates that economies and financial institutions with greater capacity to diversify currencies, manage exchange-rate exposure, adopt innovative financial instruments, and strengthen risk-management systems are better positioned to withstand the uncertainties associated with changing monetary regimes. Zhang et al. (2011), for instance, demonstrate that currency diversification can enhance exchange-rate stability and reduce exposure to external shocks, while Maurer and Valiani (2003) emphasise the importance of hedging mechanisms in managing currency risk within internationally diversified portfolios.

The findings further suggest that financial flexibility extends beyond currency diversification to include risk-management capabilities, financial innovation and institutional adaptation. Enterprise-wide risk-management systems can strengthen organisations' capacity to identify and respond to interconnected financial risks (Boniello, 2022), while financial innovation supported by developed financial systems can enhance economic resilience and growth (Shapoval, 2021). Similarly, alternative financial instruments can provide diversification opportunities, although their volatility may introduce additional risks (Brière et al., 2015).

In the context of Iran, these findings suggest that the effectiveness of its movement away from dollar dependence will depend substantially on the country's ability to develop alternative currency arrangements, payment mechanisms, financial institutions, and risk-management capacities. Thus, de-dollarisation should not be understood simply as replacing the US dollar with another currency; rather, it represents a broader institutional and financial restructuring process. The literature therefore supports the proposition that financial-system adaptability may determine whether de-dollarisation generates disruptive consequences or creates opportunities for greater financial resilience and diversification. This provides an important foundation for examining how Iran's currency shift may influence global trade, multinational accounting profitability, and the redistribution of international financial power.

Institutional and Regulatory Frameworks

The last version of the synthesis of the reviewed literature indicates that institutional and regulatory frameworks constitute a critical moderating mechanism through which de-dollarisation can influence financial reporting, accounting profitability, global trade and financial power structures. The evidence suggests that the consequences of a changing monetary order are not determined solely by currency substitution; rather, they depend substantially on the quality of accounting standards, financial regulation, institutional governance and regulatory capacity within affected economies and organisations.

The literature demonstrates that robust accounting standards enhance the credibility, comparability and reliability of financial information. Barth et al. (2008) show that stronger international accounting standards are associated with improved accounting quality, reduced earnings management and greater value relevance. Similarly, Napier and Stadler (2020) demonstrate that changes in accounting standards can have significant real effects on revenue recognition, corporate decision-making and reported financial performance. These findings are particularly relevant to a de-dollarising environment, where multinational entities may increasingly conduct transactions in multiple currencies, creating greater challenges relating to foreign-exchange measurement, revenue recognition and the comparability of financial statements across jurisdictions.

The evidence also shows that regulatory adaptability is essential for maintaining financial stability during periods of monetary transformation. Ahamed et al. (2021) and Jungo et al. (2022) demonstrate that appropriate regulatory and institutional arrangements can strengthen financial stability and efficiency, although their effectiveness varies according to national institutional conditions. An et al. (2021) further characterise the relationship between regulation and financial innovation as an evolutionary process in which regulation, innovation and re-regulation continuously interact.

This is particularly significant for Iran, where restrictions on conventional dollar-based financial channels may encourage alternative payment mechanisms and financial innovations requiring appropriate regulatory responses. Furthermore, the literature indicates that institutional weaknesses or regulatory fragmentation can amplify financial risks. Metrick and Tarullo (2022) emphasise the importance of regulatory coordination in preventing systemic vulnerabilities, while Hartmann et al. (2018) demonstrate that accounting compliance and faithful representation are influenced by legal, institutional and market conditions. Consequently, differences in regulatory regimes may affect the ability of firms operating across borders to maintain consistent reporting practices and manage currency-related risks.

Overall, these findings suggest that institutional and regulatory frameworks determine the extent to which de-dollarisation becomes disruptive or adaptive. For the present study, this implies that Iran's currency shift cannot be evaluated solely in terms of its movement away from the US dollar. Its broader consequences depend on the country's institutional capacity, accounting infrastructure, financial regulation and ability to support alternative monetary and financial arrangements.

The literature therefore supports the argument that effective regulatory adaptation may mitigate the adverse effects of de-dollarisation on accounting profitability and financial stability while simultaneously facilitating the emergence of alternative trade and financial networks. This provides an important theoretical and empirical basis for examining how the transformation of the petrodollar order may contribute to the redistribution of global financial power.

Integrated Discussion and Conceptual Framework

Integrated Discussion

The literature reviewed in this study demonstrates that the effects of de-dollarisation and the transformation of the petrodollar order cannot be adequately understood through a single economic or financial dimension. Rather, the evidence points to the interaction of three interconnected factors: geopolitical environment, financial-system adaptability, and institutional and regulatory frameworks. Together, these dimensions provide an integrated explanation of how currency shifts, particularly Iran's movement away from dollar dependence, may influence global trade, accounting profitability, and the distribution of international financial power. This integrated perspective is important because de-dollarisation is not simply a process of replacing one currency with another; it represents a broader transformation involving international relations, financial institutions, corporate behaviour, regulatory systems and global economic governance.

The geopolitical environment provides the external pressure through which de-dollarisation may emerge and intensify. Economic sanctions, political tensions and strategic alliances can disrupt conventional trade and financial channels, encouraging affected countries to seek alternative payment mechanisms and trading arrangements. Evidence from Larch et al. (2024) demonstrates that sanctions can significantly reduce bilateral trade, while Ghironi et al. (2024) show that their effects extend beyond targeted economies through trade diversion and third-country effects. Similarly, Mignon and Saadaoui (2023) establish that geopolitical risks influence oil prices through expectations of economic activity and concerns about supply disruptions. These findings suggest that geopolitical pressures can weaken established dollar-based relationships while simultaneously creating incentives for alternative financial networks.

In the context of Iran, therefore, sanctions and geopolitical tensions constitute important forces that may accelerate efforts to reduce dependence on dollar-centred financial systems.

However, geopolitical pressure alone does not determine the consequences of de-dollarisation. The adaptability of financial systems determines whether economies and organisations can successfully respond to the resulting uncertainty. Zhang et al. (2011) demonstrate that currency diversification can provide greater exchange-rate stability and reduce exposure to external shocks, while Maurer and Valiani (2003) emphasise the importance of hedging instruments in managing currency risk.

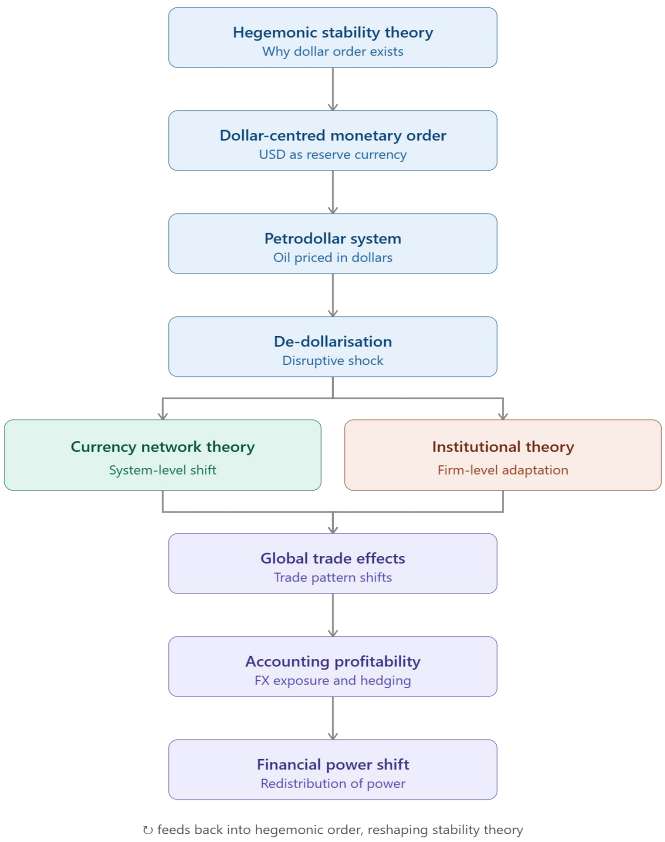
Similarly, Boniello (2022) highlights the importance of enterprise-wide risk management, while Shapoval (2021) demonstrates the contribution of financial innovation and financial depth to economic development. These findings indicate that financial flexibility enables economies and multinational corporations to adjust to changing currency arrangements, manage exchange-rate exposure and maintain financial performance. Consequently, Iran's ability to sustain alternative currency and payment arrangements depends not only on political motivation but also on the depth, flexibility and resilience of its financial infrastructure.

The third dimension, institutional and regulatory frameworks, provides the governance structure necessary to translate financial adaptability into sustainable outcomes. Barth et al. (2008) demonstrate that high-quality accounting standards enhance financial reporting quality, while Napier and Stadler (2020) show that changes in accounting standards can have significant consequences for corporate reporting and decision-making. Ahamed et al. (2021) and Jungo et al. (2022) further demonstrate the importance of effective regulation for financial stability and institutional efficiency. Importantly, An et al. (2021) conceptualise regulation and financial innovation as an evolutionary process, suggesting that regulatory systems must continuously adapt to emerging financial arrangements.

Thus, in a de-dollarising global economy, appropriate accounting standards, regulatory coordination and financial governance are essential for maintaining transparency, investor confidence and comparability of financial information. The integration of these three dimensions reveals a dynamic causal relationship. Geopolitical pressures create incentives for de-dollarisation; financial-system adaptability determines the capacity to respond to those pressures; and institutional and regulatory frameworks determine whether such responses can become sustainable and credible. These factors interact to influence global trade patterns, corporate financial performance and the structure of international financial power. The literature therefore suggests that de-dollarisation may simultaneously generate disruption and opportunity: it can increase exchange-rate and transaction risks while encouraging currency diversification, financial innovation and alternative trade networks.

Against this background, the present study contributes to the literature by integrating these three dimensions into a single analytical framework for examining Iran's currency shift and the transformation of the petrodollar order. Rather than treating de-dollarisation solely as a monetary phenomenon, the study examines it as a multidimensional process in which geopolitical pressures, financial adaptability and institutional governance interact to shape global trade, accounting profitability and financial power structures. This integrated approach provides a stronger basis for understanding whether the gradual transformation of the dollar-centred system represents a temporary adjustment, a structural diversification of international finance, or a broader redistribution of global economic power.

Figure 1: Proposed Conceptual Framework



Theoretical Contributions

The conceptual framework contributes to this study by providing an integrated structure for explaining how de-dollarisation and the transformation of the petrodollar order may affect global trade, accounting profitability, and international financial power structures. Rather than treating de-dollarisation as a purely monetary phenomenon, the framework recognises the interaction between geopolitical environment, financial-system adaptability, and institutional and regulatory frameworks.

First, the framework identifies the geopolitical environment as an important driver that can accelerate currency shifts through sanctions, political tensions, trade restrictions, and strategic alliances. Second, financial-system adaptability explains how economies, financial institutions, and multinational corporations respond to changing currency arrangements through currency diversification, hedging, financial innovation, and alternative payment systems. Third, institutional and regulatory frameworks provide the governance mechanisms necessary to manage these changes through appropriate accounting standards, financial regulation, transparency, and regulatory coordination.

The framework therefore contributes by linking macroeconomic and geopolitical developments with micro-level corporate outcomes, particularly financial reporting, foreign-exchange exposure, and accounting profitability. It also provides a basis for understanding how Iran's currency shift may extend beyond domestic monetary policy to influence international trade networks and the distribution of financial power. Consequently, the framework strengthens the study's analytical contribution by integrating monetary, geopolitical, financial, accounting, and institutional perspectives within a single framework for interpreting the evolving global monetary order.

Policy Implications

The findings of the literature synthesis have important implications for policymakers navigating the evolving global monetary order. First, policymakers should strengthen currency and financial-system resilience by promoting diversified foreign-exchange reserves, developing local-currency settlement mechanisms, and improving domestic financial-market infrastructure. Such measures can reduce excessive dependence on a single international currency while limiting exposure to external monetary shocks (Zhang et al., 2011; Maurer & Valiani, 2003). Second, governments should develop adaptive regulatory frameworks capable of responding to emerging payment systems, financial technologies and alternative currency arrangements without compromising financial stability. Regulatory coordination is particularly important because fragmented regulatory systems can increase systemic vulnerabilities (Metrick & Tarullo, 2022).

Third, policymakers should recognise the geopolitical dimension of de-dollarisation. Sanctions and political tensions can disrupt trade and encourage countries to establish alternative financial and trading networks (Ghironi et al., 2024; Larch et al., 2024). Consequently, international cooperation should be strengthened to reduce unnecessary trade disruptions and promote transparent, predictable monetary arrangements. Finally, accounting regulators should ensure that evolving multi-currency transactions are supported by robust reporting standards that preserve comparability, transparency and investor confidence (Barth et al., 2008; Napier & Stadler, 2020). Collectively, these measures can transform de-dollarisation from a source of systemic vulnerability into an opportunity for greater financial diversification and resilience.

Practical Implications

The findings provide practical guidance for multinational corporations, financial institutions, investors, accounting professionals and policymakers operating within an increasingly diversified international monetary environment. For multinational corporations, the evidence highlights the importance of strengthening foreign-exchange risk-management systems, diversifying currency exposure and adopting appropriate hedging strategies to protect profitability against exchange-rate volatility (Maurer & Valiani, 2003). Firms operating across jurisdictions should also enhance their accounting systems to ensure accurate measurement, recognition and reporting of multi-currency transactions.

Financial institutions can respond by developing flexible payment platforms, strengthening liquidity-management mechanisms and expanding services that facilitate transactions in alternative currencies. Such adaptability may enable banks and other financial intermediaries to remain competitive as international payment networks evolve. The findings also suggest that firms should incorporate geopolitical risk and sanctions exposure into enterprise-wide risk-management frameworks, particularly when operating in politically sensitive markets (Boniello, 2022; Lin et al., 2019).

For accounting professionals, greater attention should be given to the implications of currency diversification for revenue recognition, foreign-exchange gains and losses, financial statement comparability and disclosure quality. Investors, meanwhile, should assess currency exposure and geopolitical risks when evaluating multinational entities. In the case of Iran, businesses and financial institutions may benefit from developing alternative settlement mechanisms and strategic partnerships that reduce excessive dependence on conventional dollar-based channels while maintaining transparency, compliance and financial stability.

Future Research Directions

Future research should extend this study by examining country-specific evidence on de-dollarisation across major oil-producing and emerging economies, including Iran, Russia, China and other economies pursuing currency diversification. Longitudinal studies could assess whether shifts away from dollar-based transactions produce sustained changes in global trade, accounting profitability and financial power. Researchers could also employ firm-level data to investigate how multinational corporations adjust financial reporting, foreign-exchange management and investment strategies. Further research should examine whether institutional quality, financial-system adaptability and geopolitical risk moderate these relationships differently across developed and developing economies. Comparative studies could also determine whether alternative currency arrangements enhance resilience or merely redistribute existing financial vulnerabilities.

CONCLUSION

This study concludes that de-dollarisation and the transformation of the petrodollar order represent a significant structural development in the international monetary system, with implications extending beyond currency preferences to global trade, accounting profitability and the distribution of financial power. The synthesis of the reviewed literature demonstrates that these consequences are shaped by the interaction of three critical dimensions: geopolitical pressures, financial-system adaptability, and institutional and regulatory frameworks.

Geopolitical tensions, economic sanctions and strategic alliances can accelerate the search for alternative currencies and payment networks, potentially disrupting established trade relationships (Ghironi et al., 2024; Larch et al., 2024). However, the ability to benefit from such transformation depends on the adaptability of financial systems, including currency diversification, effective risk management and financial innovation (Zhang et al., 2011; Maurer & Valiani, 2003). Equally, robust institutions and regulatory frameworks are essential for maintaining accounting quality, financial transparency, investor confidence and systemic stability during periods of monetary change (Barth et al., 2008; Napier & Stadler, 2020).

In the context of Iran, the findings suggest that currency diversification should be understood not merely as a reaction to external constraints but as part of a broader restructuring of international financial relationships. Ultimately, de-dollarisation may create both disruption and opportunity. Its long-term significance will depend on whether emerging alternative financial arrangements can achieve sufficient institutional credibility, market depth, stability and international acceptance to challenge aspects of the established dollar-centred order. The study therefore contributes to understanding how the evolving monetary landscape may reshape the future architecture of global economic and financial power.

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