
Instructions and Procedures issued by Central Bank of Iraq
To organize the bank's activity in Iraq

Based on the functions of the Central Bank of Iraq, according to act No. 56 of 2004 and banks act No. 94 of 2004 , board directors was decided some of instructions and procedures related to organize the banking activity within precautionary measures which are provided by the abovementioned two acts to ensure a strong, safe and secure Iraqi banking system.

And these are that instructions and procedures;

1. Regulations for licensing banks and non-bank financial institutions
2. Regulation Guide to credit policies and classification
3. Regulation list / Investment restrictions
4. Instructions relating to the standard of capital adequacy.
5. Instructions of Islamic banking in Iraq.
6. Instructions about Conformity Monitor Function

Part two

License for a foreign bank to establish a subsidiary or bank branch

License controls:

- a) For establishing foreign bank subsidiary or open foreign bank branch in Iraq, license should be obtained by Center Bank of Iraqi.
- b) Licenses or permits may only be granted to foreign banks subject to unified and comprehensive control by a supervisory authority in the country where the foreign bank's headquarters is located.
- c) Obtaining licenses should be present written to Central Bank of Iraq with instructions, data and documents requested in annexes 1 and 2.
- d) Within two months, the applicant shall be notified if his request was fulfilled , the period above may be extended provided that the applicant shall be informed the delay reasons before the deadline .
- e) During six months after informing the applicant to establish a branch of a foreign bank that the request fulfilled for the conditions, the bank approves or rejects the request and sends his decision at written form to applicant
- f) After issuing the approval letter for request of establishing foreign bank subsidiary and completing the establishment procedures and providing all necessary documentation, The Central Bank shall within two months decide to grant or reject the license and inform the applicant in writing.
- g) Central Bank shall notify the applicant of its decision to grant the license, and it shall be published in the Official Gazette or in the general circulars with wide circulation.
- h) When the license is issued, the bank shall be added to the list of the register of banks that listed to Central Bank of Iraq and shall be subject to all relevant Iraqi laws, regulation lists and instructions issued by the Bank.

Granting the license:

Central bank agrees on presented request by foreign bank to grant license for opening branch or establishing bank subsidiary when satisfy that the following documents are completed:

- All presented information, documents and bonds attached with request in accordance with annexes 1 and 2.
- The financial and historical position and reputation of the applicant.
- Documentation identifying operational capital of wholly branch or bank subsidiary which is amounting of (50) million dollars or more than, and completed all establishing procedures According to the laws in force in Iraq.
- The resources allocated by the foreign bank (Who intends to conduct banking activities in Iraq by opening a branch) which sufficient to cover obligations that entails.
- Official letter about the approval of the foreign observer in the original home (Central Bank (national) or any other authorized authority) to establish subsidiary or open branch in Iraq.
- Official letter of observer in the original home ready to implement of a unified and comprehensive control over the foreign bank, including its branch in Iraq and the subsidiary banking entity.

Part Three

The license of opening office represent foreign bank inside Iraq

1. The activities of representative offices are limited to present information and do communication tasks but do not engage banking or other similar activities or receive deposits or other funds repayable from the public in Iraq.
2. Foreign Bank shall be presented request to Central Bank of Iraq for opening one or more representative office in Iraq .
3. The applicant bank shall be authorized to practice the banking business in the country of incorporation.
4. Central Bank agrees to presented request by foreign bank to grant the licenses of opening representative office in Iraq ,when satisfy that the following documents are completed:
 - All documents , bonds , information and data are requested in annexes 1 and 2
 - Proposed office location, the location of the proposed office with an actual address in Iraq.
 - A document confirming the payment of the request fee.
5. Central Bank shall notice the applicant within two months, if his request was fulfilled.
6. Within two months from the date of notifying the applicant that the request has been fulfilled, the Bank shall take the decision to grant or reject the license and inform the applicant accordingly.

Annex of part two

For Foreign Bank to establish subsidiary or its branch

Annex No. (1)

1. General information of the applicant

- Name:
- Legal form of property
- Total Assets:
- Total capital / Authorized, subscribed and paid up capital
- Number of employees
- Location of the head office
- The foreign control authority which the bank is subject
- Grade rating from one rating agencies recognized international
- The applicant had engaged the banking activities for at least three years
- The applicant shall be subject to comprehensive and unified control by the banking supervision authority in their home country.

2- International Attendance.

- Number of branches/ offices are located all over the world
- Number of branches/ offices are located Middle East.
- A brief summary of the bank's experience and presence
 - At Middle East
 - At developing and transitional economies

3- Proposed form for action in Iraq

- Branch or subsidiary

Annexes of part two

~~License to the Foreign Bank to establish a~~
subsidiary entity or a branch thereof

Annex No. (2)

Documents and data which should be attached with the request

- 1- Studying the Feasibility or work plan (Expectations for three fiscal years) included:
 - 1-1: Number of the proposed branches to support the work plan in Iraq.
 - 1-2: The banking services that shall be provided and the economic sectors that targeted by these services.
 - 1-3: Expectations of the amount of money which shall be used and their resources, with the expected economic and financial analysis of the work of the branch or branches.
 - 1-4: Risk Management Strategies and Credit, summary about credit policies and procedures shall be followed.
 - 1-5: Organizational structure with the identification of key officials and their responsibilities, noting the need to ensure that none of the main employees has a project or work that would constitute a source of conflict of interests with this proposed investment.
 - 1-6: A summary of how technology is used to support Iraq's business strategy.
 - 1-7: A summary of the percentage of Iraqi employees, and the plan of their training.
 - 1-8: A list of the main owners of the foreign bank or the parent bank.
- 2- The parent company incorporation license which should be certified by an authorized official authority in the origin country indicating the ownership structure of the company and the law governing it with the incorporation contract.
- 2- The appointment order of the branch director concerned, issued by the authorized authority, stating his name, permanent place of residence, nationality, work or profession as the highest employee of the bank in Iraq and responsible for the management of the bank's business, including his scientific qualifications and his experience, his banking experience should not be less than three years.

~~4- A statement of the financial fines or other penalties that~~

may be imposed by the foreign supervisory authority on the applicant bank in case of violation of the laws.

5- Conditions imposed by the parent country to combat money laundering, terrorism or other illegal activities.

6- A statement on the implementation of the parent bank of the recommendations contained in the International Convention against Money Laundering and its number of forty recommendations.

7- A pledge by the Bank to abide by the notice of this bank that the country in which the branch had been opened, shall apply the Anti-Money Laundering Law and the relevant international standards or not, with provided us at a copy of the said law.

8- Naming the contact of the regulatory authority for the applicant's country of origin.

9- Letter from the supervisory authority on the status of the applicant.

10- A letter from the regulatory authority confirming that the performance of the applicant is subject to effective unified control by him.

11- A certified copy of the financial statements for the last three years of work.

12- A letter from a recognized auditor indicating his desire to take over the external audit function.

13- Disclosure about any real change in the financial position since the publication of the last financial statement.

14- An undertaking in which the applicant clarifies his / her obligation to the regulations of his foreign regulatory authority and the regulations which issued by the Central Bank of Iraq.

15- An undertaking confirming to the Central Bank of Iraq its obligation to provide the information required by the Bank in respect of its compliance with Iraqi law.

16- Disclosure about any determinants in the parent country that could limit the ability of the applicant to comply with the request of the CBI to provide information.

17- A certified copy of the banking practice license of the applicant bank.

18- If the applicant company is a subsidiary of foreign bank or a foreign bank holding company shall submit a statement that the regulatory authority responsible for the prudential control applied to the company in the country of incorporation of the foreign bank or bank holding company has no objection to the submitted request and that shall fulfill uniform control over applicant company.

19- Any other data deemed necessary by the Central Bank of Iraq.

**License to open a representative office for a
foreign bank inside Iraq**

Annex No. (1)

Documents and data attached with the request:-

- 1- An accredited (certified) copy of the company incorporation certificate (the foreign bank) of the applicant and its system and the address of the head office.
- 2- Information about the authorized subscribed and paid up capital of the applicant bank.
- 3- Appointment order of the Director of the representative office with a statement of his permanent residence and nationality as the highest official of the office in Iraq and responsible for the performance of the functions of the office with a statement detailing his qualifications and professional experience and includes the names of three persons may be consulted them when it necessary.
- 4- List of the largest shareholders of the applicant bank from the shareholders and final beneficiaries of the shares stating the name, address and possession of related shares together with a copy of the shareholders register in the case of registered shares.
- 5- fill the annex No. (2) of the Director of the Representation Office duly signed by him.
- 6- A copy of the latest three annual audited balance sheets as well as the profit and loss account of the applicant company together with the latest report of the external auditor and the report of the board of directors.
- 7- List of branches of the applicant bank with the location of the representative office which be intended to open in Iraq.
- 8- A statement stating that the foreign supervisory authority which is responsible for the control of banks in the country of the applicant has no objection on establishment of the office and it dose comprehensive and unified control over the applicant bank.
- 9- The foreign bank shall notify Central Bank of Iraq promptly and upon receipt of any invalid or inaccurate data attached to the request and before decision it and provide the corrected and supplementary information to the Central Bank of Iraq.
- 10- The applicant undertakes to obligate with the provisions of Iraqi laws, regulations and instructions that issued by the Central Bank of Iraq.

**License to open a representative office for a
foreign bank inside Iraq**

Annex No. (2)

- 1- Full name:-
- 2- Date of Birth:-
- 3- Nationality:-
- 4-Address in Iraq:-
- 5- Previous Profession:-
- 6- Number of shares held by the applicant bank:-
- 7- Have you been convicted by a criminal court or could have been sentenced for one year or more without a fine?
- 8- Has your bankruptcy been declared by a judicial body over the past seven years.
- 9- Has a competent authority disqualified you from practicing the profession or stopped you from practicing the profession?
- 10- Has a judicial or competent authority issued an order stating that you are not competent to run a company?

Form No. (1)/ Information about The Founders

- 1) Full name and Surname :
- 2) Mother's full name
- 3) Date of Birth :
- 4) Nationality :

5) Iraqi Nationality certificate number:

6) Home Address :

7) Occupation:

8) Educational achievement :

9) Shares number :

10) If you have residence outside of Iraq , please mention it:

The country name:

Date of granting residence:

11) If you have service in government institutions, please mention it:

Institution name:

Number of service years:

title of last job:

The reason of leaving the service: Retirement (), resignation (), Other ()

Career promotions, kind of work and its date:

1:

2:

• With enclosed confirmations and documents in this form should be presented

12) If you have practice in the commercial, industrial, financial, economic or accounting fields, please mention it

13) Disclosure whether you have contributions to Iraqi and foreign banks, please mention it

1-

2-

3-

The name of the union and the professional association which you belong to,

Date of enrollment:

14) Have you been convicted by a criminal court or may have been sentenced for one year or more without a choice to pay a fine?

15) Has your bankruptcy been declared by a judicial body over the past seven years?

16) Has a competent authority disqualified you from practicing the profession or stopped you from practicing the profession?

17) Has a judicial or competent authority issued an order stating that you are not competent to run a company?

18) I acknowledge, did not take the position of President or member of the Board of Directors or a leading position in a company declared bankrupt due to mismanagement.

19) I pledge the validity of the above information and otherwise assume all responsibility and for which I signed.

20) Name:

Signature:

Date:

Form No (2)

Data and Information of bank

Bank Name:

Head Center:

Nominal Capital:

Subscribed Capital:

Paid Capital

No. and date of establishment license:

Branches intended to be opened:

- | | |
|----|-----|
| 1. | 6. |
| 2. | 7. |
| 3. | 8. |
| 4. | 9. |
| 5. | 10. |

Managing Director Name
Names of Board Members:

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.

Name of the auditor or auditors appointed for auditing:

Managing Director Name:

signature:

date :

Form No. (V)

Information about Board of Directors

- 1) Full name and Surname :
- 2) Mother's full name
- 3) Birthday :
- 4) Occupation:
- 5) Educational achievement

6) Home Address :

Tel. :

7) Shares number:

8) If you have service in government institutions, please mention it:

Institution name:

Number of service years:

The last position:

The reason of leaving the service: Retirement (), Resignation (), other ()

9) If you have practice in the commercial, financial, economic or accounting fields, please mention it

a) Career promotion, kind of work and its date:

1:

2:

• With enclosed confirmations and documents in this form should be presented

10) If you belong to one the union and the professional association in the country , please mention it,

Name of the organization or union:

Belonging date:

11) If you were a member of the board of directors of a joint stock company, please mention the name of the company and the date of membership.

12) Disclosure of whether you have contributions to Iraqi and foreign banks, please mention it

1-

2-

13) Have you been convicted by a criminal court or may have been sentenced for one year or more without a choice of paying a fine?

14) Has your bankruptcy been declared by a judicial body over the past seven years?

15) Has a competent authority disqualified you from practicing the profession or stopped you from practicing the profession?

16) Has a judicial or competent authority issued an order stating that you are not competent to run a company?

17) I acknowledge, that I did not take the position of President or member of the Board of Directors or a leading position in a company declared bankrupt due to mismanagement.

18) I pledge the validity of the above information and otherwise assume all responsibility and for which I signed.

Name:

Signature:

Date:

Form No. (4)/ Information about Main Employees

1) Full name and Surname :

2) Mother's full name

3) Date and place of birth:

4) Nationality :

5) Home Address and Telephone number :

6) Shares number:

7) Educational achievement :

8) Institutions and departments in which the employee

worked according to their in an ascending timeline:

a) Career promotion, kind of work and its date :

1:

2:

- With enclosed confirmations and documents in this form should be presented

b) If you were an employee in a government institutions , departments or non-governmental organizations ,please mention the reason of leaving the service:

Resignation (), Referral to retirement (), Other ()

c) Commendation and Thanks letters that had been obtained

Kind of commendation:

Its reason:

1:

2:

d) Any other notes related to your prior career you want to mention it

9) Disclosure whether you have contributions to Iraqi and foreign banks, please mention it

1-

2-

10) Scientific and vocational courses:

11) Research had been prepared and scientific conferences in which the employee participated in

12) Have you been convicted by a criminal court or may have been sentenced for one year or more without the choice to pay a fine?

13) Has your bankruptcy been declared by a judicial body over the past seven years?

14) Has a competent authority disqualified you from practicing the profession or stopped you from practicing the profession?

15) Has a judicial or competent authority issued an order stating that you are not competent to run a company?

16) I acknowledge, did not take the position of President or member of the Board of Directors or a leading position in a company declared bankrupt due to mismanagement.

17) I pledge the validity of the above information and otherwise assume all responsibility and for which I signed.

Name:

Signature:

Date:

Form No. (°)

Information about Conformity Monitor

1) Full name and Surname :

2) Mother's full name

3) Date and place of birth:

4) Nationality :

5) Home Address and Telephone number, if any, :

6) Educational achievement :

worked according to their in an ascending timeline:

- Name: _____

Date:

Information about Director of Money Laundering Office

- 1) Full name and Surname :
- 2) Mother's full name
- 3) Date and place of birth:
- 4) Nationality :
- 5) Home Address and Telephone number, if any, :
- 6) Educational achievement :

worked according to their in an ascending timeline:

- Date:

Information about Director of the International Department

- 1) Full name and Surname :
- 2) Mother's full name
- 3) Date and place of birth:
- 4) Nationality :
- 5) Home Address and Telephone number, if any, :
- 6) Educational achievement :
- 7) Institutions and departments in which the employee worked according to their in an ascending timeline:
 - a) If you were an employee in one government institutions , departments or non-governmental organizations ,please mention the reason of leaving the service :
Resignation (), Referral to retirement (), Other ()

1:

2:

- With enclosed confirmations and documents in this form should be presented

c) Disclosure whether you have contributions to Iraqi and foreign banks, please mention it

1-

2-

d) Commendation and Thanks letters had been obtained

Kind of commendation:

Its reason:

1:

2:

e) Any other notes related to your prior career you want to mention it

8) If you have experience in banking, business, industrial and finance, please mention it

9) Scientific and vocational courses:

10) Research had been prepared and scientific conferences in which the employee participated

11) Have you been convicted by a criminal court or may have been sentenced for one year or more without the choice to pay a fine?

12) Has your bankruptcy been declared by a judicial body over the past seven years?

13) Has a competent authority disqualified you from practicing the profession or stopped you from practicing the profession?

14) Has a judicial or competent authority issued an order stating that you are not competent to run a company?

15) I acknowledge did not take the position of President or member of the Board of Directors or a leading position in a company declared bankrupt due to mismanagement.

16) I pledge the validity of the above information and otherwise assume all responsibility and for which I signed.

Name:

Signature:

Date:

Central Bank of Iraq

(Investment office)

Front Office Section

(An internal memo)

To/The Governor

date: 17/5/2017

Mr. Deputy Governor

Sub\ Guide to open branches of Foreign Banks in Iraq

We extend our greeting...

During our preparation of the working paper of the Central Bank of Iraq, which shall be participate in the Iraqi Investment Conference in London during the second half of this year 2017, we found that the instructions, rules and regulations of opening the branches of

~~foreign banks in Iraq which are distributed between legal texts~~
and instructions and Circulars, are not unified in one document and most of them in Arabic.

And for the purpose of consolidating all texts, instructions , rules and priorities for the opening of branches of foreign banks in Iraq, we suggest that to prepare a single document that can be called ((Guide to open branches of foreign banks in Iraq)), and it should be in Arabic and English .exchange and credit monitoring directorate and / or any other department may complete this guide... It is up to you.

With regards

Signature

I agree in coordination with the Consultant Mr. Walled AEDI

On 18/5

Dr. MAZEN SABAH AHMED

Acting /managing director

In The Name of Allah Most Gracious Most Merciful

Republic of Iraq

Central Bank of Iraq

Exchange and Credit Monitoring Directorate
Banking Research and Studies Department

No. : 9/3/177

Date: 24/5/2015

To/ Foreign Banks' Branches licensed to work in Iraq

Sub. Capitals of the foreign banks

We extend our greeting...

Referring to our letter No.9/3/288 on 16/10/2014, The Board of Directors of this bank decided in its meeting No. 1524 on 2/5/2015 to approve on the following:-

- 1-The license shall be granted to the foreign bank branch to engage the business in Iraq with capital amounted (50) million dollars (fifty million dollars) regardless of the number of branches including the head branch.
- 2-The current capital of foreign banks branches licensed to work in Iraq shall be increased in two stages. The paid-up capital is taken into account in calculating the amount to be completed and as follows:-
 - a- To the equivalent of (25) million dollars (twenty five million dollars) until 1/6/2016.
 - b- To reach the equivalent of dollars (50) million (fifty million dollars) until 1/6/2017.
 - c- The general administrations of foreign banks branches shall provide us with instructions concerning the maximum limits for the granting of cash and contractual credit and the acceptance of deposits and other obligations issued by their general administrations to their branches in Iraq.
 - d- You should provide us with a letter of confirmation from the head bank about ensuring payment of all the obligations that are realized on the branch through engaging work in Iraq.

With Regards..

Signature of:
ALI MOHSIN ISMAIL
Deputy Governor

Republic of Iraq
Central Bank of Iraq

Exchange and Credit Monitoring Directorate-
Issuing of Instruction and Commercial Banks Licenses Department

No: 19/1/502

Date: 29/12/2016

To/ Foreign Banks' Branches licensed to work in Iraq

Sub./ Increase Capital

We extend our greetings...

Referring to our circular letter No. 9/3/196 on 13/6/2016 which Included increasing the capital of your banks branches that work in Iraq to reach the prescribed limit (25 million dollar) until 31/12/2016. Please, you should inform us about the latest actions taken by you regarding the increase and as soon as possible

With regards

Signature of:

IHSAN SHAMRAN AL-YASIRI

Managing Director

29/12/2016

Republic of Iraq

Central Bank of Iraq

No. : 9/3/196

Date: 13/6/2016

Exchange And Credit Monitoring Directorate
Banking Research and Studies Department

To/ Foreign Banks' Branches licensed to work in Iraq

Sub. Increase Capital

We extend our greetings...

Referring to our letter No. 9/3/177 on 24/5/2015 and based on the decision of Board of Directors of this bank No. (82) which be issued in its meeting No. 1539 on 30/5/2016 , It has been decided to amend the date of increasing the capital of the foreign banks branches by (25) million dollars until 31/12/2016 and (50) million dollars until 31/12/2017 and this is considered the last extended .

With Regards

Signature of:
ALI MOHSIN ISMAIL
Acting Governor
Date: 12/6/2016

Republic of Iraq
Central Bank of Iraq

No. : 9/1/18222
Date: 29/12/2016

Exchange Monitoring Directorate
Issuance of Instructions and Licenses of Commercial Banks Department

To/ Intercontinental of Bank of Lebanon

BBAC Bank
Credit Lebanese Bank
Bank MED
Lebanese French Bank
Fransbank Bank
BLOM Bank
MEAB
Auda Bank

Sub. Increase Capital

We extend our greetings...

Referring to our circular letter No. 9/3/169 on 13/6/2016 which included increasing of capitals of your banks branches that work in Iraq to reach to reach the prescribed limit (amount 25 million dollars) until 31/12/2016 .it was approved to keep the amount of the increase in US dollars in your accounts opened with this bank without necessarily transferred to Iraqi dinar

With Regards

Signature of:
EHSAN SHAMRAN AL-YASREE
Managing Director
Date: 29/12/2013

*Republic of Iraq
Central Bank of Iraq*

Exchange Monitoring Directorate/Monitoring of Commercial Banks Department
No. : 9/2/255
Date: 13/6/2017

To/ Bank Foreign Branches that work in Iraq/Regional Director

Sub. Allocation of the contractual credit

We extend our greetings...

It has been decided to exempt you from the calculation of the allocations on the contractual credit which mentioned in paragraph (nine) of article (12) of instruction no. (4) For year 2010,

~~and sufficiency with allocation which the head bank~~
calculates until amendments about instruction No.(4) for year

2010 are issued provided the following:

Head bank of your branches that work in Iraq present unconditional letter of guarantee written in two language (Arabic and English), So that the head company shall be responsible for all deposits and obligations realized from the activity of its branches in Iraq with your branches retaining at least 75% of the operating capital inside Iraq in addition to deposits deposited in your branches at various currencies (local and foreign)

We hope to comply with the above... With Regards

Signature of:

ALI MOHSIN ISMAIL

Acting Governor

Date: 12/6/2017

Cc to//

- Governor office / to review ...with regards
- Committee of amending instruction no. (4) /your letter dated 5/6/2017 /to informwith regard

Republic of Iraq

Central Bank of Iraq

No. : 9/3/196

Date: 13/6/2016

Exchange and Credit Monitoring Directorate-Monitoring Commercial Banks Department
Registration, Licensing and Technical Affairs Section

To/ Foreign Banks Branches licensed to work in Iraq

Sub. Increase Capital

~~We extend our greetings~~

Referring to our generalization letter No. 9/3/196 on 13/6/2016 and based on the decision of Board of Directors of this bank No. (82) which be issued in their meeting No. 1539 on 30/5/2016 , we confirm our above circular and you should notify us about your procedures taken by you about increasing the capital of your banks branches that work in Iraq to reach to the prescribed limit amount (50 million dollars) until 31/12/2017 .
With regards

Signature of:
QESMA SALEH ALI
Managing Director
25/7/2017

Cc to:-

- the Governor Office / for acknowledgement, With regard
- All Directorates and Branches of Bank / for acknowledgement, with regard.
- Ministry of Commerce/ for acknowledgement, with regard

Republic of Iraq
Central Bank of Iraq

Exchange And Credit Monitoring Directorate/Monitoring Commercial Banks Department
Licensing and Technical Affairs Section
No. : . 9/2/183
Date: 4/5/2017

To/ All licensed Banks

Sub. Banks Capitals

We extend our greetings...

~~Based on the decision of the board of directors of this~~
bank No. (63) For the year 2017 in its session no. (154) which

held on 17/4/2017, it was decided the following:

- 1- The capital withdrawals at the Central Bank shall be for clarified purposes in the withdrawal request; each withdrawal process should include a full explanation of its purpose, and the Exchange Monitoring Directorate shall follow these withdrawals in coordination with Payment the Directorate, Including clarification by banks of some withdrawals, therefore it is not necessary to release the bank's capital which is retained by the Central Bank upon completion of the proceedings, But its use is carried out in accordance with the foregoing.
- 2- The balance of any bank at another bank shall not exceed (5%) (five percent) of its capital. In any case, the total of its balances at other banks shall not exceed on (20%) (Twenty percent). And in the case of a need to raise that percentage at a bank for reasonable reasons, The approval of Managing Director of the Exchange Monitoring Directorate shall be obtained, in condition that it should be done before the end of June 2017.

With regards

Signature of:

QESMA SALEH ALI

Acting/Managing Director

D.EMAD ABDULHASAN JAYAD

Acting Assistant Director