



ASSET RECOVERY IN IRAQ

An Empirical Analysis of Criminal and Civil Proceedings in light of the United Nations Convention Against Corruption



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Table of Contents

Executive Summary	3
Part One: General Context and Methodology	5
1. Governance and Background	
2. Problem Statement, Rationale, and Challenges	
3. Trial Monitoring Programme	
3.1 Mandate and Scope of Work	
3.2 Methodology	
3.3 Report Structure	
4. Expected Outcome	
Part Two: Institutional and Legal Framework for Asset Recovery	14
1. Institutional Framework	
1.1 Judicial Institutions and the Public Prosecution	
1.2 Federal Commission of Integrity	
1.3 Executive and Coordinating Institutions	
1.4 Central Bank of Iraq and the Financial Intelligence Unit	
1.5 Iraq Fund for the Recovery of Assets	
1.6 Coordination and Cooperation Mechanisms for External Recovery	
2. Legal Framework	
2.1 Constitutional Basis	
2.2 Relevant National Legislation	
2.3 Iraq's International and Regional Obligations	
2.4 International Cooperation and Mutual Legal Assistance Frameworks	
3. Judicial Proceedings and Recovery Pathways	
3.1 Detection, Investigation, and Asset Identification	
3.2 Seizure and Confiscation	
3.3 Criminal and Civil Pathways for Recovery	
3.4 Litigation, Judgments, and Enforcement	
3.5 International Cooperation and Cross-Border Recovery	
4. Conclusion	
Part Three: Quantitative and Qualitative Analysis and Key Findings	27
1. Monitoring in accordance with the Recovery Framework in Iraq	
1.1 The Dual Criminal and Civil Recovery Pathways	
1.2 Report Methodology and Data Sources	
2. Criminal Recovery Pathway: Analysis and Findings	
3. Civil Pathway for Asset Recovery and Compensation	
4. Conclusion: Criminal and Civil Pathways and Recovery Opportunities	
5. Cross-Border Recovery and Integration of the Two Pathways	
6. Conclusion: Quantitative and Qualitative Analysis of Recovery Pathways	

Part Four – Draft Law on the Recovery of Proceeds of Corruption – An Empirical Analysis in Light of the United Nations Convention against Corruption 49

1. The Draft Law: Structure and Content
2. Alignment with the United Nations Convention against Corruption and Trial Monitoring Programme Findings
3. Institutional Roles and Operational Considerations
4. Court-Appointed Experts in Civil Proceedings
5. Evaluability, Transparency, and Cross-Border Recovery
6. Concluding Observations

Part Five – Key Findings and Recommendations 53

1. Key Findings
2. Recommendations
 - 2.1 Institutionalising the Follow-Up of Civil Actions
 - 2.2 Strengthen Asset Seizure and Preservation
 - 2.3 Strengthening Legal Capacity and Representation
 - 2.4 Strengthen the Role of the Public Prosecution
 - 2.5 Strengthen Linkages between the Criminal and Civil Pathways
 - 2.6 Developing Centralised Case-Tracking Mechanisms
 - 2.7 Strengthening Asset-Declaration Procedures and Preventive Measures
 - 2.8 Expand the Use of Court-Appointed Experts
 - 2.9 Strengthening Cross-Border Recovery
 - 2.10 Integrating Gender Equality in Asset Recovery Systems
3. Conclusion

Annex I: Recommendation Matrix: Comparison between the UNCAC and Iraqi Legislation on Domestic and External Recovery 58

Annex II: Tables and Quantitative Analysis Figures 62

Executive Summary

In cases of grand corruption, harm is not confined to the criminal dimension of legal violation, but is primarily reflected in the financial and developmental losses affecting the state and society. The embezzlement, misuse, or diversion of public funds for illicit purposes effectively weakens the state's ability to finance essential services, infrastructure, and social programs. From this perspective, criminal conviction alone is insufficient to achieve justice, as an offender may be imprisoned while illicit assets remain beyond the reach of the state. Asset recovery therefore constitutes a fundamental and complementary pillar of accountability, shifting it from the level of punishment to that of redress, and ensuring that misappropriated funds are returned to their rightful place. It also plays a critical role in restoring public trust and strengthening the deterrent effect of anti-corruption efforts.

This report, titled "Asset and Fund Recovery in Iraq: A Practical Analysis of Criminal and Civil Procedures in Light of the United Nations Convention against Corruption," presents the key findings and trends derived from a trial monitoring program examining the asset recovery framework in Iraq. The analysis is based on a review of 482 criminal cases and 60 civil claims before the Central Criminal Court for Anti-Corruption and Courts of First Instance. It aims to assess the current recovery system and identify key challenges, most notably the persistent gap between criminal accountability and the effective recovery of public assets.

The analysis combines quantitative and qualitative methods, drawing on direct trial monitoring, civil case review, institutional consultations, and legal assessment against Iraqi law and the UNCAC framework.

The report applies an analytical framework based on two interconnected pathways:

- the criminal pathway, which encompasses the tracing, freezing, seizure, and confiscation of assets;
- the civil pathway, which enables claims for compensation and the recovery of embezzled funds on the basis of tortious liability.

Although each pathway is legally independent, they are operationally interconnected. Civil actions may benefit from the findings of criminal investigations while also being pursued independently, particularly in cases involving judgments in absentia or absconding defendants. The report confirms that, in principle, the absence of a final criminal judgment does not preclude the initiation of a civil action, pursuant to Article 202 of the Civil Code and the 2021 judicial guidance. This constitutes an important means of preventing the recovery process from being suspended.

The analysis shows that Iraq has a coherent legal framework aligned with the United Nations Convention against Corruption, which permits:

- seizure, confiscation, and provisional measures within the criminal pathway;
- the institution of independent civil actions;
- the cross-border recovery of funds pursuant to the Recovery of Iraq Assets Fund, Law No. 9 of 2012 and the UN Convention against Corruption (UNCAC).

However, the effectiveness of this framework in practice remains limited. Monitoring of 482 grand corruption cases and 60 civil suits indicates that the principal challenge lies not in the absence of legal rules, but in their inconsistent application as a result of overlapping institutional and procedural factors.

Within the criminal pathway, the documentation of financial losses has improved, but this has not produced a corresponding improvement in recovery. The use of early seizure measures remains limited and inconsistent, allowing assets to be dissipated, particularly during periods in which proceedings are stayed or cases are returned for further investigation. Within the civil pathway, a substantial gap remains between cases in which financial losses are established through criminal proceedings and those that develop into successful civil actions. Claims are frequently dismissed or withdrawn for procedural reasons despite a strong substantive basis, demonstrating that success depends to a considerable extent on procedural readiness and the quality of legal representation.

On this basis, the report identifies the following principal challenges:

- limited use of early asset-seizure measures;
- the gap between the establishment of damage and the number of civil actions instituted and successfully concluded;
- prevalence of procedural errors in determining the outcomes of civil actions;
- insufficient quality and continuity of legal representation;
- limited use of judicial expertise despite its positive effect;
- continued practice, in some cases, of awaiting the finality of the criminal judgment;
- insufficient integration between the criminal and civil pathways;
- limited role of the Public Prosecution in supporting the recovery process;
- absence of an integrated institutional framework for managing the recovery chain.

The report demonstrates that activating the civil pathway independently, particularly in complex or protracted cases, is a critical means of preserving opportunities for the recovery of funds in accordance with existing judicial guidance.

At the cross-border level, results remain limited despite the availability of a legal basis, owing to difficulties in preparing requests, differences between legal systems, weak coordination, and limited institutional specialisation.

Overall, the report concludes that a systemic gap persists between criminal accountability and the recovery of funds, with convictions not consistently translating into effective financial outcomes. The effectiveness of anti-corruption efforts must therefore be measured by the system's capacity to recover public funds, rather than solely by the number of judgments issued.

Closing this gap requires a shift from a system centred on the availability of legal tools to one based on integrated institutional and procedural performance through:

- institutionalising the recovery chain and linking its stages;
- strengthening early provisional measures;
- improving the quality of legal representation and civil actions;
- developing information systems and institutional coordination;
- improving data quality, documentation, and inter-agency cooperation.

On the whole, Iraq has made important progress at the level of the legal framework, but the effectiveness of asset recovery remains constrained by weak implementation in practice. The findings set out above form the basis of the recommendations contained in this report. They seek to make asset recovery a systematic outcome of the accountability framework by transforming fragmented recovery efforts into an integrated, coordinated, and data-driven national system for the recovery of assets and funds. Such a system would ensure that the recovery of public funds becomes a consistent and expected outcome of accountability in corruption cases, rather than an exception dependent on case-specific circumstances.

Part One – General Context and Methodology

1. Governance and Background

Iraq is undergoing a period of political transition and economic recovery, shaped by increasing demands for transparency, a stronger rule of law, accelerated institutional reform, and improved delivery of public services. The Government of Iraq, particularly through the Prime Minister's public statements and commitments, has affirmed its commitment to combating corruption, strengthening State institutions, and consolidating good governance, including by improving government performance, advancing economic reform, and strengthening integrity and accountability mechanisms.¹ A gap nevertheless remains between stated commitments and practical implementation. Entrenched interest networks, political interference, and fragmented legal and institutional frameworks continue to limit the effectiveness of the governance system and affect the capacity of institutions to enforce the law and secure effective accountability.

At the international level, Iraq has committed to a number of key frameworks, including the United Nations Convention against Corruption (UNCAC) and the Sustainable Development Goals, particularly Goal 16 on peace, justice, and strong institutions.² Translating these commitments into measurable results nevertheless remains an ongoing challenge, as reflected in international indicators. The 2024 Corruption Perceptions Index gave Iraq a score of 26 out of 100 and ranked it 140th out of 180 countries, alongside low ratings under the World Bank's governance and control-of-corruption indicators.³ These indicators confirm the continuing gap between normative commitments and effective implementation. In this context, financial and administrative corruption remains one of the most significant structural challenges facing the Iraqi State because of its direct impact on institutional legitimacy, citizens' trust, and the efficient use of public resources. It also adversely affects the provision of essential services, including health, education, and housing, and deepens inequalities, particularly among vulnerable groups of women and young people.

Iraq has taken important steps to align its legal and institutional framework with international standards, including the United Nations Convention against Corruption and relevant anti-money-laundering instruments. Technical cooperation with international organisations, including the United Nations Office on Drugs and Crime and the International Criminal Police Organization (INTERPOL), has

¹ [Prime Minister Al-Sudani makes combating corruption a top priority in Iraq – Shafaq News. See also: Iraqi Prime Minister highlights Cabinet achievements since... | Rudaw.net](#)

² Government of Iraq, Office of the Prime Minister, Government Programme 2022–2025, including commitments relating to anti-corruption, judicial reform, and institutional accountability.

³ Transparency International, Corruption Perceptions Index 2024; World Bank, Worldwide Governance Indicators 2023 – Control of Corruption.

also contributed to strengthening national capacities in investigation and asset recovery.⁴ A gap nevertheless persists between the legislative and institutional frameworks, on the one hand, and effective implementation, on the other. Institutional fragmentation, overlapping mandates, and weak coordination between the relevant entities limit the effectiveness of domestic asset recovery and cross-border recovery.

At the broader governance level, political and institutional transitions continue to affect the State's capacity to achieve sustainable reform. Despite high-level commitments to strengthening the judiciary and combating corruption, limited coordination between legal and institutional frameworks, together with politicisation and resource constraints, continues to restrict the effectiveness of the accountability system. Institutions also face the challenge of operating as an integrated system within a comprehensive national framework for asset recovery and accountability, in accordance with the principles of the United Nations Convention against Corruption.

Grand corruption cases, repeated mismanagement of public funds, and limited recovery outcomes have contributed to declining public trust and highlighted the need to strengthen accountability tools. In this context, stronger monitoring and analysis of criminal and civil proceedings relating to asset recovery are particularly important - not only for assessing institutional performance, but also for generating evidence to support legal and policy reform. This includes the 2023 Draft Law on the Recovery of Proceeds of Corruption,⁵ which seeks to strengthen the legal and procedural frameworks for asset recovery in accordance with international standards and national priorities.

2 Problem Statement, Rationale, and Challenges

Despite the existing legal framework and Iraq's international obligations, the recovery of public funds and property derived from corruption continues to face structural constraints in practice. Responsibilities are distributed among the Federal Commission of Integrity, the Public Prosecution, criminal and civil courts, the Ministry of Justice, and the Iraq Fund for the Recovery of Assets - without a unified operational framework to ensure effective coordination between domestic and external recovery. Civil actions seeking compensation are not systematically initiated or consistently used as a complement to the criminal pathway. At the international level, the practical use of tools available under the UNCAC, including non-conviction-based confiscation, cross-border civil actions, and recognition of foreign judgments, also remains limited.⁶

By way of illustration, the "Heist of the Century" case⁷ (2022–2024), one of the largest corruption cases in modern Iraq, provides a clear example of the structural challenges facing the asset-recovery system. Approximately USD 2.5 billion in tax deposit funds was embezzled through fraudulent transactions involving senior officials and exploiting weak internal controls, forgery, and institutional collusion. The investigations revealed serious governance and procedural deficiencies and highlighted systemic weaknesses in oversight, accountability, and enforcement mechanisms. The case demonstrates the importance of integrating the criminal pathway with civil actions. Effective recovery cannot be confined to criminal penalties but also requires the activation of civil compensation mechanisms as

⁴ Federal Commission of Integrity (Iraq) (2023), Annual Report, p. 20.

⁵ Council of Representatives of Iraq, Draft Law on the Recovery of Proceeds of Corruption, latest publicly available draft, and relevant parliamentary committee discussions.

⁶ Federal Board of Supreme Audit / Iraqi judiciary, judicial findings and oversight observations concerning the General Commission for Taxes, as recorded in the court proceedings.

⁷ See the case study "Heist of the Century" in the [Second Trial Monitoring Report – Federal Level \(2023–2024\)](#), Second Federal Trial Monitoring Report, available under [Publications | United Nations Development Programme](#).

part of a comprehensive system for restoring rights and assets and linking those pathways with international recovery efforts.

Examples of cases decided in connection with the Heist of the Century:

Case No.	Defendant	Charge	Type of Trial	Judgment	Recovery / Confiscation	Notes
Case No. 121/CC/2023	Former Chair of the Parliamentary Finance Committee	Article 331 of the Penal Code – negligence / abuse of authority	In person, followed by subsequent absconding	Three years' imprisonment; confiscation of assets; arrest warrant issued	No attachment order was issued during the investigation or trial; the right to seek compensation was preserved	The case illustrates abuse of authority and limitations in follow-up mechanisms; the defendant was granted amnesty following enactment of the second amendment in 2025
Case No. 163/CC/2024	Former Director of the Prime Minister's Office	Article 316 of the Penal Code – exploitation of office	In absentia	Six years' imprisonment; confiscation of assets; arrest warrant issued	Limited domestic recovery; extradition efforts remain ongoing	The case reflects a culture of impunity and the urgent need for international cooperation
Case No. 152/CC/2024	Director-General of the General Commission for Taxes and nine employees	Article 316 of the Penal Code – institutional embezzlement	In person	Six years' imprisonment for each defendant, 60 years in aggregate; confiscation of assets	Attachment orders were not enforced; the right to seek compensation was preserved	Weak internal controls and systemic gaps
Case No. 139/CC/2024	Iraqi investor	Article 444(11) of the Penal Code – theft of public funds	Mixed, in person and in absentia	Ten years' imprisonment; confiscation of assets; arrest warrant reissued	Partial recovery; extradition efforts remain ongoing	Private-sector involvement; need for audit and verification reforms

Although the Federal Commission of Integrity announced the recovery of more than USD 17.4 million during 2025 through the expanded use of international cooperation tools such as INTERPOL and the goAML and ICASS platforms,⁸ together with the return or repatriation of more than 50 persons accused in corruption cases,⁹ the final results remain limited in comparison with the scale of cumulative losses from the proceeds of corruption since 2003 - which national authorities have estimated at hundreds of billions of United States dollars. The submission of 41 mutual legal assistance requests between 2023 and 2025 reflects progress in international engagement, but also reveals persistent structural challenges. These include institutional coordination difficulties, gaps in historical financial records, and procedural limitations of existing frameworks for international cooperation. These complicate efforts to trace and recover assets and funds, particularly in older and complex cases. While some successful recovery cases, including those involving Kuwait, Switzerland, and the

⁸ Federal Commission of Integrity recovery figures and expanded cooperation measures, including INTERPOL, ICASS, and goAML, reported by Shafaq News and Iraqi News. See: "Federal Commission of Integrity recovered USD 17.4 million in stolen funds and activated international tracking databases", Federal Commission of Integrity, annual asset-recovery and international-cooperation statistics, 2023–2025. Shafaq News, 8 December 2025. <https://shafaq.com/en/Iraq/17M-recovered-as-Iraq-continues-corruption-hunt>. See also: "Iraq recovers more than USD 17 million in corruption proceeds and expands cooperation with global law-enforcement networks", Iraqi News, 9 December 2025. <https://www.iraqinews.com/iraq/iraq-integrity-commission-recovers-corruption-funds/>.

⁹ Federal Commission of Integrity statements concerning the repatriation of persons suspected in corruption cases: "Iraq recovered more than USD 17.4 million and repatriated suspects after expanding cooperation with international entities." The New Region, 8 December 2025: <https://thenewregion.com/posts/3895>.

Russian Federation, demonstrate that positive outcomes are possible when effective cooperation is available, limited responsiveness in other jurisdictions confirms the need for more effective and sustainable cooperation mechanisms.

Consultations with institutional stakeholders concerned with the Asset Recovery, including the asset-recovery directorates within the Federal Commission of Integrity and the Iraq Asset Recovery Fund, confirmed the urgent need to strengthen Iraq's asset-recovery system. These discussions highlighted fragmented inter-agency coordination, underuse of available legal tools, limited international engagement, and the absence of formal mechanisms for addressing assets predating 2003 and protecting whistle-blowers. The persistence of these challenges, together with Iraq's broader political, institutional, social, and economic context, confirms the need for evidence-based analysis of judicial and institutional practices relevant to asset and funds recovery. The Trial Monitoring Programme was therefore designed to generate empirical data on how judicial institutions address criminal and civil proceedings relating to asset recovery, including asset tracing, freezing, confiscation, and recovery, as well as civil compensation actions arising from corruption offences.

By analysing court proceedings, the performance of the Public Prosecution and legal representatives, patterns in judgments and judicial decisions, and the degree of coordination among the institutions concerned, the Programme identifies operational and institutional obstacles affecting the effectiveness of domestic and cross-border recovery. It also assesses the practical use of legal tools available under national legislation and the UNCAC. Together with the findings of institutional consultations and data relating to efforts to recover assets and funds, the Programme's outputs form the basis for the evidence-based recommendations contained in this report, which are intended to strengthen the judicial, institutional, and operational framework for asset and funds recovery in Iraq.

3. Trial Monitoring Programme

3.1 Mandate and Scope of Monitoring

The Trial Monitoring Programme was launched as a component of the Anti-Corruption and Commercial Arbitration Initiatives (ACAI) Project, implemented by the United Nations Development Programme in cooperation with the Supreme Judicial Council under the Memorandum of Understanding signed on 18 February 2022.¹⁰ The Programme seeks to explain how the judiciary addresses grand corruption cases by monitoring investigations and trials before the specialised criminal courts. Findings from the first and second monitoring years, before the Central Anti-Corruption Court (CACC), were published in periodic reports covering 2023–2024. Among the most important findings were the challenges associated with recovering funds lost through corruption and the failure of legal representatives of affected institutions to submit compensation claims, or their withdrawal of civil claims, in approximately half of the cases before the courts. On that basis, the Programme expanded its scope in August 2024 to include the monitoring and analysis of civil proceedings concerning compensation for damage arising from corruption offences, alongside examination of asset and funds recovery pathways linked to criminal proceedings in corruption cases.

¹⁰ Memorandum of Understanding between the Human Rights Office of the United Nations Assistance Mission for Iraq, the United Nations Development Programme, and the Supreme Judicial Council, signed on 18 February 2022.

This expansion reflects recognition that addressing the consequences of corruption is not limited to prosecuting criminal conduct, but also requires the recovery of misappropriated assets for the benefit of both the State and the public. The Programme accordingly monitors both domestic recovery, involving assets located in Iraq and assets located abroad, and generates substantive evidence to support institutional reform, improve judicial efficiency, and inform public policy. It adopts a comprehensive approach to asset and funds recovery based on the understanding that the criminal and civil pathways are complementary rather than competing mechanisms. While the criminal pathway focuses on tracing, freezing, seizing, confiscating, and recovering criminal proceeds, the civil pathway enables the State and affected entities to claim compensation for damage caused by acts of corruption.

The Programme also treats domestic and cross-border recovery as interconnected elements of a single national asset-recovery system, in accordance with national institutional priorities and the principles of the United Nations Convention against Corruption. Its findings also contribute directly to ongoing parliamentary discussions concerning the 2023 Draft Law on the Recovery of Proceeds of Corruption,¹¹ by providing practical evidence on judicial and institutional implementation and the associated challenges. This helps to ensure that the proposed legislation reflects operational realities and strengthens Iraq's capacity to recover misappropriated public funds.

The objectives of the Trial Monitoring Programme include:

- complementing the monitoring of criminal trials through analysis of civil actions seeking compensation for damage arising from corruption-related offences;
- monitoring and analysing judicial and institutional procedures relating to the Asset Recovery, including tracing, attachment, freezing, confiscation, enforcement, recovery, and compensation;
- identifying legal and procedural gaps and institutional challenges affecting the effectiveness of domestic and cross-border recovery;
- strengthening institutional knowledge and coordination among judicial, oversight, and executive entities concerned with the Asset Recovery;
- drawing evidence-based findings to support legislative and policy reform relating to recovery, anti-corruption, and the rule of law.

3.2 Methodology

The Trial Monitoring Programme applies internationally recognised human-rights-based trial-monitoring methodologies, drawing on guidance issued by the Office of the United Nations High Commissioner for Human Rights and established justice-sector assessment practices, including relevant World Bank frameworks.¹² Monitoring is conducted in accordance with core human rights principles, including confidentiality, impartiality, non-interference, and the “do no harm” principle. All

¹¹ Draft Law on the Recovery of Proceeds of Corruption, first introduced in 2021 and subsequently in 2023, discussed in Part Four of this report.

¹² Office of the United Nations High Commissioner for Human Rights (OHCHR), Manual on Human Rights Monitoring, Chapter 6, “Trial Monitoring and Observation”, United Nations, New York and Geneva, 2011. United Nations Development Programme (UNDP), Programming for Justice: Access for All – A Practitioner’s Guide to a Human Rights-Based Approach to Access to Justice, UNDP, 2005. Organization for Security and Co-operation in Europe (OSCE), Office for Democratic Institutions and Human Rights (ODIHR), Trial Monitoring: A Reference Manual for Practitioners, Warsaw, 2008. See also: World Bank, Justice Sector Assessments: A Handbook for Practitioners, including methodologies for court performance and case-flow analysis.

monitoring activities were carried out by national legal officers responsible for court monitoring and data collection, under the supervision of an international expert responsible for methodological consistency, quality assurance, database management, and analytical reporting.

Based on recovery system, this report analyses two interconnected asset-recovery pathways. The criminal pathway focuses on tracing, freezing, confiscation, and recovery, while the civil pathway focuses on compensation for damage. The analysis draws on the Trial Monitoring Programme's monitoring of how these two pathways interact in practice, identifying strengths, gaps, and operational challenges. The report accordingly seeks to provide an evidence-based assessment of the effectiveness of Iraq's asset-recovery system, identify institutional and procedural constraints affecting outcomes, and support the development of policies and reforms that are more consistent with international standards.

This report is built on a mixed methodology combining direct court monitoring, legal and institutional analysis, and quantitative and qualitative review of data concerning the Asset Recovery. The analysis drew on four principal sources of evidence:

- Trial Monitoring Programme findings concerning grand corruption cases and criminal proceedings relevant to asset recovery, systematically monitored from August 2022 to August 2025 before courts specialising in integrity and anti-corruption cases;
- monitoring of civil actions before the civil courts concerning compensation for damage and the restoration of rights arising from corruption offences, which the Programme expanded to cover from August 2024 and which comprised 60 cases;
- technical consultations and institutional meetings with national entities concerned with asset and funds recovery, including the judiciary, the Public Prosecution, the Federal Commission of Integrity, and entities responsible for asset recovery and international cooperation;
- review and analysis of Iraq's legal and institutional framework, obligations arising under the UNCAC and available data and statistics concerning asset recovery and international judicial cooperation.

The analysis of the criminal asset-recovery pathway drew on the Trial Monitoring Programme database of grand corruption cases, developed through direct monitoring of trial hearings during the first three monitoring years. The database covered 482 monitored cases, together with reviews of judicial decisions and judgments and analysis of procedures relating to asset tracing, freezing, attachment, confiscation, and the recovery of funds derived from corruption offences. These data made it possible to assess the extent to which asset-recovery tools are used in criminal proceedings, the level of coordination among judicial and investigative bodies, and the factors affecting the effectiveness of domestic and cross-border recovery.

For the civil pathway, the Programme monitored a total of 60 civil compensation actions before the civil courts in Karkh, Rusafa, Ninewa, and Karrada between November 2024 and January 2026. This included 36 pending actions monitored contemporaneously and 24 decided actions reviewed retrospectively. The claims concerned compensation for material damage and loss of profit arising from conduct connected with corruption, including damage to public funds, mismanagement of public assets, or non-compliance with judgments and judicial decisions. Data were collected from case files, available judicial records, legal representatives, and relevant institutional sources. Variables analysed

included the claimant institutions, characteristics of defendants, legal bases of the claims, relevant criminal provisions, amounts of compensation claimed, outcomes of judgments, and related enforcement procedures.

The Programme applied a mixed methodology combining quantitative and qualitative analysis. Quantitative data were used to identify trends in case management, differences between compensation claimed and awarded, duration of proceedings, and sectoral distribution of cases. The qualitative analysis focused on judicial reasoning, procedural practices, coordination between criminal and civil proceedings, and practical challenges affecting enforcement of compensation orders and asset recovery. Comparative analysis across courts and different types of cases was also used to identify recurring patterns, institutional practices, and methodological constraints relevant to restitution and asset recovery.

The analysis also used a reference framework derived from the UNCAC, particularly its provisions concerning asset recovery, compensation for damage, confiscation, provisional measures, and international cooperation. The Convention was used not only to assess Iraq's legal framework, but also to analyse relevant judicial and institutional practices, thereby enabling an assessment of the transition from formal legal compliance to effective implementation in practice. Comparative analysis across courts and different case types was used to identify recurring patterns, institutional practices, and operational constraints relevant to domestic asset and funds recovery, compensation for damage, and international cooperation in asset recovery.

This report does not seek to catalogue every corruption case or every ongoing asset-recovery procedure in Iraq. Rather, it analyses how the asset and funds recovery system operates in practice through examination of judicial and institutional practice in the criminal and civil pathways, together with relevant international cooperation mechanisms. Its findings should therefore be understood as indicators of trends, practices, and institutional challenges, rather than as a comprehensive assessment of all asset-recovery efforts in Iraq.

Cases were identified and tracked as follows:

While the analysis of the criminal pathway in this report is based on the Trial Monitoring Programme database of grand corruption cases systematically monitored since 2022, the process of identifying and tracking civil actions connected with those cases presented significant methodological challenges. The analysis initially sought to monitor civil compensation actions arising directly from criminal cases previously monitored by the Programme before the Central Anti-Corruption Criminal Court (CACC), which has jurisdiction over grand corruption cases as defined in Supreme Judicial Council Statement No. 96,¹³ particularly cases that resulted in convictions and expressly recognised the affected entity's right to seek compensation. In practice, however, only a limited number of such cases could be traced within the same judicial jurisdiction, together with a small number identified in other governorates (8 cases in total).

¹³ The Central Anti-Corruption Criminal Court (CACC) was established pursuant to Statement No. 96 issued by the Supreme Judicial Council to hear cases classified as grand corruption cases under the criteria specified in the Statement, namely cases brought against defendants holding senior positions or persons associated with them, or cases involving large sums. See Annex I.

This was principally attributable to the absence of a central judicial database linking criminal judgments with subsequent civil compensation actions. Civil compensation actions are instituted independently before the civil courts,¹⁴ without a systematic mechanism or unified information system linking them to the criminal proceedings on which they are based. Case numbers and identifying references are not consistently standardised across different courts, while access to complete civil case files varies from one judicial district to another. Identifying and tracking civil actions therefore required intensive manual searches across multiple courts and records, often in the absence of comprehensive and interconnected documentation or databases.

In response to these structural limitations, the Programme adopted a practical approach based on available and verifiable case files. Civil actions included in this report were selected on the basis of accessibility, verifiability, and procedural relevance, rather than through an attempt to compile a comprehensive national inventory of all civil actions arising from corruption-related offences. Priority was given to actions involving allegations of serious corruption, actions brought by or against government institutions, and actions seeking compensation for material damage, loss of public funds, or the Asset Recovery. The same substantive criteria were applied to the selection of cases for contemporaneous monitoring and retrospective review, ensuring methodological consistency in data collection and analysis. Monitored and reviewed actions were therefore treated as integrated components reflecting different procedural stages in the litigation cycle, rather than as a basis for statistical comparison between them.

The methodological limitations relating to the identification and tracking of civil actions did not affect the analysis of the criminal pathway in this report, which is based on a separate Trial Monitoring Programme database covering grand corruption cases monitored during the Programme's reporting periods. These limitations do, however, constrain the possibility of compiling a comprehensive inventory of all civil compensation actions connected with corruption cases at the national level. The methodology applied to the civil-actions component is therefore not intended to produce a fully statistically representative sample of all corruption-related civil actions. It focuses instead on identifying institutional patterns, judicial practices, and operational constraints affecting the effectiveness of compensation and asset recovery. The database reflects cases that could be accessed, verified, and effectively monitored during the reporting period, while the findings describe prevailing judicial practices and relevant institutional dynamics within the limits of available access and traceability.

3.3 Report Structure

This report was prepared to provide a comprehensive analysis of the legal, institutional, and practical framework governing the recovery of assets and funds in Iraq, drawing on Trial Monitoring Programme findings and relevant national and international reference frameworks, foremost among them the UNCAC. The report is structured as follows:

- **Part One** presents the general framework for the study, including the governance, anti-corruption, and asset-recovery context in Iraq, the problem statement and significance of the study, the methodology of the Trial Monitoring Programme, and the scope of analysis adopted in the report.

¹⁴ Iraqi Civil Procedure Law No. 83 of 1969, as amended, and the provisions governing civil compensation actions and enforcement of judgments.

- **Part Two** examines the institutional and legal framework governing asset recovery, including the relevant judicial, oversight, and executive institutions, applicable national legislation, international obligations arising under the United Nations Convention against Corruption, and the interaction between the different legal tools used in recovery pathways.
- **Part Three** presents the quantitative and qualitative analysis of data collected through the Trial Monitoring Programme concerning the criminal recovery pathway, beginning with the detection and tracing of illicit proceeds and related investigations, and continuing through provisional measures and seizure and confiscation orders. It also examines the civil pathway for restoring rights and obtaining compensation for damage caused by corruption by analysing the initiation of compensation actions, the role of legal representatives and experts, and the relationship between civil and criminal proceedings in securing recovery outcomes. It further analyses cross-border recovery as one of the most complex dimensions of asset recovery, including mutual legal assistance requests, international cases under follow-up, and practical challenges associated with international cooperation and the execution of recovery requests.
- **Part Four** provides a practical assessment of the Draft Law on the Recovery of Proceeds of Corruption by analysing its alignment with the provisions of the United Nations Convention against Corruption and its suitability for the institutional and operational needs identified through field monitoring.
- **Part Five** sets out the report's principal conclusions and presents practical recommendations aimed at strengthening the effectiveness of asset and funds recovery, improving integration between the criminal and civil pathways, and developing international cooperation mechanisms and relevant institutional capacities.

The report concludes with two annexes. The first contains a matrix of legal compliance with the provisions of the United Nations Convention against Corruption, while the second contains tables, data, and figures supporting the quantitative analysis in the report.

4 Expected Outcome

At its inception, the Trial Monitoring Programme focused on grand corruption cases within criminal proceedings. It subsequently expanded to include the systematic monitoring of civil proceedings relating to compensation and the recovery of assets and funds, thereby providing a more comprehensive assessment of accountability and restitution mechanisms in practice. This expansion reflects growing recognition that combating corruption is not limited to imposing punishment on those responsible for offences, but also encompasses the recovery of public resources, compensation of affected entities, and stronger state institutions.

Through monitoring domestic recovery and analysing the relationship between criminal and civil proceedings, the Programme provides a practical understanding of how Iraq's asset and funds recovery system operates and identifies strengths, limitations, and challenges affecting its effectiveness. This includes movement towards linking civil pathways with recovery in light of legal constraints on enforcing criminal judgments, particularly judgments delivered in absentia. The Programme's findings also provide a knowledge base and practical evidence to support the development of public policy and legislative and institutional reform, including the Draft Law on the Recovery of Proceeds of Corruption, and to strengthen the use of legal tools relating to seizure, confiscation, compensation, and international cooperation.

In addition to contributing to policy development, the Programme provides a reliable baseline for future monitoring, strengthens transparency and institutional accountability, and supports dialogue among judicial, executive, and oversight entities concerned with the Asset Recovery. It therefore constitutes a practical tool supporting Iraq's efforts to strengthen the rule of law, improve the effectiveness of the justice system, recover public resources, and consolidate trust in public institutions through an evidence- and results-based approach.

Part Two – Institutional and Legal Framework for Asset Recovery

Iraq's system for the recovery of assets and funds is based on a multi-level institutional and legal framework comprising two interconnected pathways: the criminal pathway for asset recovery, through the criminal pathway, by tracing, freezing, seizing, and confiscating illicit proceeds, and is complemented by the civil pathway, which enables affected public institutions to claim compensation for financial losses caused by corruption offences. Cross-border recovery is linked primarily to the criminal pathway and relies on mutual legal assistance, international judicial cooperation, and mechanisms for the recognition and enforcement of Iraqi judgments in foreign jurisdictions.

The findings of the Trial Monitoring Programme, including prominent cases such as the "Heist of the Century" case, show that, notwithstanding the availability of legal and institutional frameworks, the effectiveness of asset recovery remains limited in practice, due to a range of structural challenges, including fragmented institutional responsibilities, weak coordination among the entities involved across the criminal and civil pathways, procedural constraints, and cases involving defendants who have absconded abroad. These challenges confirm the complementary nature of the civil pathway and highlight the practical interrelationship between domestic judicial proceedings and international cooperation mechanisms. Civil actions provide a legal pathway that complements the outcomes of the criminal pathway by enabling public institutions to claim compensation for losses arising from corruption and by converting the findings of criminal investigations and proceedings into enforceable judicial outcomes. Effective recovery therefore depends on a high degree of coordination among investigative bodies, the Public Prosecution Office, and the civil courts, so that evidence generated through the criminal pathway can be used effectively in civil actions.

At the international level, Iraq's increasing engagement with mutual legal assistance mechanisms indicates a gradual strengthening of cooperation within the criminal pathway, as demonstrated by the submission of 41 mutual legal assistance requests between 2023 and May 2025. Nevertheless, cross-border recovery outcomes, including the tracing and return of assets, remain limited in comparison with the scale of the cases and the complexity of the associated financial flows.

Although the institutional and legal frameworks provide a regulatory basis for asset recovery through both the criminal and civil pathways, their practical effectiveness remains constrained by operational, coordination, and procedural challenges. Strengthening coordination between the two pathways, clarifying institutional mandates, and enhancing specialised judicial capacity are therefore essential to improving recovery at both the domestic and cross-border levels, in accordance with the United Nations Convention against Corruption and Iraq's domestic laws.

1. Institutional Framework

1.1 Judicial Institutions and the Public Prosecution

The institutional framework for asset recovery in Iraq is founded on the principle of judicial independence guaranteed by Article 19 of the Constitution of the Republic of Iraq of 2005. Judicial affairs are administered by the Supreme Judicial Council, established under Law No. 45 of 2017 and governed by the Judicial Organisation Law No. 160 of 1979. The Council oversees the organisation and operation of the courts and the Public Prosecution and ensures the proper application of legal procedures in criminal cases and corruption-related civil actions, including those concerning compensation and asset recovery.

The Iraqi judicial system comprises several levels that perform complementary functions within the criminal and civil pathways for the Asset Recovery. Within the criminal pathway, investigation courts constitute the starting point of proceedings and may issue provisional measures, including seizure and freezing orders, to prevent the dissipation of illicit proceeds. These courts work in close coordination with the Public Prosecution Office, which supervises investigations, requests the necessary provisional measures, and ensures the lawfulness of investigative procedures and their compliance with legal standards.

Corruption-related offences are adjudicated by the competent criminal courts, including the Central Anti-Corruption Criminal Court and the criminal and integrity misdemeanour courts, according to the gravity of the offence and the prescribed penalty. These courts may issue judgments ordering restitution or confiscation, thereby linking criminal responsibility to financial recovery outcomes within the criminal pathway.¹⁵ By contrast, the civil pathway, exercised through the courts of first instance, plays a central role in adjudicating compensation claims arising from acts of corruption or the mismanagement of public funds. These courts determine the financial value of the damage and issue enforceable compensation judgments, often on the basis of facts and evidence generated through related criminal proceedings, reflecting the practical complementarity of the criminal and civil pathways. Courts of appeal hear appeals brought by parties to civil proceedings, while the Federal Court of Cassation exercises judicial review over decisions issued within the criminal pathway, thereby ensuring the correct application of the law and the consistency of judicial interpretation. The Court of Cassation is Iraq's highest judicial authority and plays a central role in promoting coherence across the different judicial jurisdictions.

The Public Prosecution Office plays a central role in both the criminal and civil pathways. Within the criminal pathway, it supervises investigations, safeguards the legality of proceedings, and requests the necessary provisional measures. Within the civil pathway, the Public Prosecution intervenes in cases to which the State is a party, submits legal opinions on compensation, challenges judgments affecting the public interest, and has the authority to bring exceptional challenges pursuant to Article 5 of Public Prosecution Law No. 49 of 2017.

For cross-border recovery within the criminal pathway, the Public Prosecution Office acts as the central authority for international judicial cooperation. It prepares and follows up mutual legal assistance requests and coordinates with foreign authorities concerning the execution of letters

¹⁵ Iraqi Criminal Procedure Code No. 23 of 1971, as amended: [Iraqi Criminal Procedure Code.pdf](#).

rogatory and judgments issued by Iraqi courts. This function provides a direct link between domestic proceedings and international asset-recovery mechanisms.

Taken together, these judicial institutions form an interconnected system operating through functional interaction between the criminal and civil asset-recovery pathways. This interaction is essential to ensuring that the findings of criminal investigations are effectively converted into enforceable civil compensation claims.

1.2 Federal Commission of Integrity

The Federal Commission of Integrity is Iraq's principal administrative and investigative body responsible for combating corruption. It was established under Federal Commission of Integrity Law No. 30 of 2011 and enjoys legal personality and financial and administrative independence. The Commission is mandated to prevent, detect, investigate, and report corruption offences, and to contribute to the recovery of public funds derived from such offences.

The Commission's mandate encompasses a range of preventive and investigative functions. It receives reports and complaints concerning corruption, conducts preliminary inquiries and gathers evidence, and refers cases supported by sufficient evidence to the competent investigation courts for the necessary judicial action. In this capacity, the Commission constitutes a principal entry point into the asset-recovery process, particularly in public-sector corruption cases, where its investigative findings frequently provide the evidentiary basis for subsequent criminal and civil proceedings.

Institutionally, the Commission comprises specialised departments and directorates supporting its core functions, including investigative, legal, technical, and administrative departments, as well as a Recovery Department responsible for following up the recovery of funds and assets derived from corruption offences within and outside Iraq, in coordination with the relevant national and international entities. The Commission also maintains regional offices and governorate branches to extend its reach and facilitate the reporting and investigation of corruption offences at the central and local levels.

In the context of asset recovery, the Commission plays an important role in identifying illicit proceeds, tracing assets associated with corruption offences, and gathering relevant information. Although it has neither judicial authority nor the power to enforce judgments, the findings of its investigations provide an important basis on which the judicial authorities may issue freezing, seizure, and confiscation orders in accordance with the law, and on which the Public Prosecution may initiate the relevant criminal proceedings.

The Commission also performs a coordinating role with other national institutions concerned with anti-corruption and asset recovery, including the Supreme Judicial Council, the Public Prosecution, the Anti-Money Laundering and Counter-Terrorism Financing Office, and the competent executive bodies. These efforts are particularly important in complex cases requiring information exchange and the tracing of funds across multiple jurisdictions. The Commission is also one of the principal entities involved in international cooperation on asset recovery and in implementing mutual legal assistance requests relating to corruption cases.

Notwithstanding the Commission's central role during the investigative stage of corruption cases, its impact on asset-recovery outcomes is affected by broader institutional and procedural factors, including the speed of judicial proceedings, the availability of judicially admissible evidence, and the

effectiveness of cooperation among the relevant national and international entities. Strengthening institutional coordination and developing financial-investigation and international-cooperation tools therefore remain essential to translating investigative findings into enforceable judgments and, ultimately, recovered assets and funds.¹⁶

1.3 Executive and Coordinating Institutions

In addition to judicial and investigative bodies, a number of executive institutions perform important supporting and coordinating functions within Iraq's asset-recovery system. These institutions do not exercise judicial authority, but contribute to enforcement, international cooperation, and the administrative coordination required for effective asset recovery, particularly in cross-border cases.

Ministry of Justice

The Ministry of Justice is a principal executive body responsible for implementing judicial decisions relating to asset recovery. Its responsibilities include managing the State's legal representation in certain contexts, supervising enforcement-related procedures, and facilitating the enforcement of domestic and foreign judgments where appropriate. The Ministry also contributes to the management of legal matters concerning State assets and may support coordination among government bodies in civil actions relating to public funds.¹⁷

Ministry of Foreign Affairs

The Ministry of Foreign Affairs plays a central role in Iraq's international cooperation framework for asset recovery. As the diplomatic channel, it facilitates communication with foreign governments and international organisations on matters relating to mutual legal assistance, extradition requests, and the recovery of assets or proceeds of corruption located abroad. In practice, the Ministry supports the transmission of formal requests and diplomatic notes, particularly where communication with foreign jurisdictions requires State-to-State correspondence. It also supports Iraq's compliance with its international legal obligations under relevant conventions and bilateral agreements, thereby enabling cooperation in tracing, freezing, confiscating, and recovering assets located outside Iraq. The Ministry is also the principal diplomatic channel for transmitting and following up formal mutual legal assistance requests with foreign States.

The effectiveness of executive institutions in asset recovery depends on close coordination with judicial and prosecutorial bodies, particularly the Public Prosecution Office, which is the principal competent authority for preparing and transmitting mutual legal assistance requests. While the Public Prosecution addresses the legal and procedural aspects of such requests, executive institutions such as the Ministry of Foreign Affairs facilitate the diplomatic and international communication channels required for their execution. This distribution of responsibilities reflects a functional separation between the judicial and prosecutorial authorities, on the one hand, and the facilitating executive role, on the other. In practice, however, asset recovery, particularly in complex cross-border cases, requires

¹⁶ Federal Commission of Integrity, Annual Activities Report 2024 (summary), setting out the Commission's legal basis, organisational structure, and functions relating to investigation and recovery of funds. https://nazaha.iq/pdf_up/3707/co2024.pdf

¹⁷ Ministry of Justice Law No. 18 of 2005; Coalition Provisional Authority Order No. 35 (2003).

sustained coordination among these institutions to ensure that requests are properly prepared, transmitted, and followed up in a timely manner.

Despite the existence of defined institutional roles, coordination between executive and judicial bodies remains a decisive factor in the effectiveness of asset recovery. Challenges may arise from the alignment of procedures among the entities concerned, delays in exchanging information and formal communications, or inconsistent mechanisms for following up mutual legal assistance requests. These constraints may affect the speed and success of cross-border asset-recovery efforts, particularly where foreign judicial authorities require detailed evidentiary standards or extended communication.¹⁸

1.4 Central Bank of Iraq and the Financial Intelligence Unit

The Central Bank of Iraq performs a supporting but critically important role within Iraq's asset-recovery and financial-integrity framework, particularly through its regulatory and supervisory functions over the banking and financial sector. As the authority responsible for maintaining monetary stability and supervising financial institutions, the Bank contributes to preventing the misuse of the financial system for laundering the proceeds of corruption and other illicit activities.¹⁹ The Anti-Money Laundering and Counter-Terrorist Financing Office is a principal component of this role. It was established within Iraq's anti-money laundering and counter-terrorist financing framework and operates as the national Financial Intelligence Unit. The Office receives, analyses, and disseminates suspicious transaction reports and related financial information submitted by financial institutions and other reporting entities.²⁰ Through this function, the Office identifies patterns of suspicious financial activity and generates financial intelligence that can support corruption investigations and asset recovery.²¹

The Office coordinates with investigative and law-enforcement authorities, including the Federal Commission of Integrity, the Public Prosecution, and the competent judicial bodies, by sharing financial intelligence that may assist in tracing illicit financial flows, identifying associated assets, and supporting evidentiary requirements in criminal and civil proceedings.²² This cooperation is particularly important in complex corruption cases involving interconnected financial transactions, external transfers, or the use of legal and financial structures to conceal beneficial ownership of assets. In addition to its intelligence function, the Central Bank issues regulatory instructions and supervises financial institutions' compliance with anti-money laundering and counter-terrorist financing requirements, including customer due diligence, record-keeping, and suspicious transaction reporting.²³ These regulatory measures are an essential component of the asset-recovery system

¹⁸ Stolen Asset Recovery Initiative (World Bank and United Nations Office on Drugs and Crime), *Asset Recovery Handbook: A Guide for Practitioners*, second edition (2021), highlighting good practices in cross-border asset tracking and recovery and institutional coordination.

¹⁹ Central Bank of Iraq Law No. 56 of 2004, as amended, defining the Central Bank's mandate to maintain monetary stability and supervise the banking sector.

²⁰ Under Anti-Money Laundering Law No. 39 of 2015, reporting entities, including banks and financial institutions, are required to submit suspicious transaction reports (STRs) to the Financial Intelligence Unit.

²¹ Iraq's Anti-Money Laundering and Counter-Terrorist Financing Law No. 39 of 2015, establishing the legal framework for the collection, analysis, and dissemination of financial intelligence.

²² Iraq's anti-money laundering and counter-terrorist financing framework provides for inter-agency cooperation between the Financial Intelligence Unit and competent authorities, enabling information exchange for investigative and prosecutorial purposes.

²³ Central Bank of Iraq regulatory instructions to financial institutions concerning compliance with anti-money laundering and counter-terrorist financing requirements, including customer due diligence (CDD), record-keeping, and reporting obligations.

because they assist in detecting the movement of illicit funds and limiting their integration into the legitimate financial system.

Although financial intelligence plays an important role in supporting asset recovery, its effectiveness depends on the quality of reporting by financial institutions, the analytical and technical capacity available, and the effectiveness of information exchange and coordination with judicial and investigative authorities. Existing challenges may include constraints on data sharing, uneven institutional capacity, and the need to provide information in a timely manner to support ongoing investigations and legal proceedings.

1.5 Iraq Asset Recovery Fund (Pre-2003 Assets)

The Iraq Fund for the Recovery of Assets was established as a specialised institutional mechanism responsible for managing and facilitating the recovery of funds and assets associated with the pre-2003 regime, including misappropriated public funds and proceeds derived from corruption or other unlawful conduct.²⁴ The establishment of the Fund reflects the Iraqi State's commitment to recovering, preserving, and managing lost assets within an organised legal and institutional framework. The Fund operates under a legal and administrative framework that defines its mandate, competences, and working mechanisms. Its primary function is to receive, manage, and preserve recovered funds and assets in accordance with applicable laws and regulations, thereby maintaining their value and incorporating them into State-owned assets. The Fund's role therefore centres on the post-recovery stage and does not extend to investigative, prosecutorial, or adjudicative functions.

Institutionally, the Fund coordinates with national entities concerned with asset recovery, including the judiciary, the Public Prosecution, the Federal Commission of Integrity, the Ministry of Justice, the Ministry of Foreign Affairs, and other competent bodies. These institutions contribute to identifying and tracing assets and securing the legal basis for their recovery, while the Fund assumes responsibility for receiving and managing recovered assets once the necessary legal procedures have been completed. The Fund's effectiveness necessarily depends on the performance of the asset-recovery system as a whole, including the quality of investigations, the speed of judicial proceedings, the effectiveness of judgment enforcement, and the level of international cooperation. Where assets are located outside Iraq, successful recovery is linked to the effectiveness of mutual legal assistance and international judicial cooperation mechanisms and to the ability of the competent authorities to implement cross-border freezing, confiscation, and recovery measures. Although the Fund does not play a direct role in investigation or litigation, it constitutes an important institutional component of the asset-recovery system by providing a legal and administrative framework for managing and preserving recovered assets and ensuring their orderly and transparent return to the State.

1.6 Coordination and Cooperation Mechanisms for External Recovery

Iraq's recovery of assets located abroad relies on a range of coordination mechanisms enabling national authorities to engage with foreign judicial bodies to trace, freeze, confiscate, and recover assets situated outside the country. These mechanisms are activated principally through mutual legal

²⁴ Law No. 9 of 2012 concerning the Iraq Fund for the Recovery of Assets, as amended by Law No. 7 of 2019, defining the Fund's mandate and its relationship with the Development Fund for Iraq (DFI).

assistance, diplomatic channels, and institutional coordination among the competent national authorities. At the centre of this framework is the mutual legal assistance system, which provides the legal basis for cooperation between Iraq and foreign States in criminal matters. The Public Prosecution Office ordinarily prepares and transmits mutual legal assistance requests in coordination with the relevant investigative authorities and judicial bodies. Such requests may seek measures including asset tracing, evidence gathering, freezing orders, extradition, and the enforcement of foreign judgments. The effectiveness of this mechanism depends on the clarity, completeness, and legal robustness of the request, as well as the responsiveness of the requested State.

In practice, asset tracing depends on coordinated action among financial, investigative, and oversight entities. This includes cooperation with the Central Bank of Iraq, the Financial Intelligence Unit, and sectoral registries to identify bank accounts, corporate holdings, and cross-border financial flows. Where assets are suspected to be located abroad, information is obtained through financial-intelligence exchanges and mutual legal assistance channels, providing a basis for subsequent judicial freezing and recovery measures. The Ministry of Foreign Affairs performs a complementary role by facilitating diplomatic communication and supporting the transmission of requests through official State-to-State channels where necessary. This function is particularly important in jurisdictions where diplomatic engagement is required to initiate or expedite cooperation. In parallel, the Ministry of Justice and other relevant entities may provide administrative or legal support in preparing, reviewing, or following up requests, depending on the nature of the case and the applicable institutional arrangements. Judicial orders issued by investigation courts are generally a prerequisite for pursuing such measures abroad, in accordance with international cooperation frameworks under the United Nations Convention against Corruption and relevant regional instruments.²⁵

Coordination among national institutions is essential to ensuring that mutual legal assistance requests are supported by sufficient evidentiary standards and comply with the procedural requirements of both Iraqi law and the cooperation frameworks of foreign jurisdictions. The findings of investigations conducted by the Federal Commission of Integrity and evidence obtained during criminal proceedings often form the principal basis of such requests, reflecting the close interrelationship among investigative, prosecutorial, and judicial entities. In practice, external asset recovery faces a range of operational and legal challenges, including differences in legal standards between jurisdictions, divergent evidentiary requirements, the complexity of tracing assets through layered financial structures, and delays in processing and responding to mutual legal assistance requests. In addition, where binding enforcement mechanisms are unavailable in certain jurisdictions, Iraq may need to pursue parallel legal strategies, including civil litigation or recognition of foreign judgments, to secure asset recovery.

Taken together, Iraq's institutional framework for asset recovery comprises a network of judicial, prosecutorial, investigative, executive, and financial-intelligence bodies, each operating within defined mandates and contributing to the shared objective of preventing, investigating, prosecuting, and remedying the misappropriation of public funds. The Supreme Judicial Council, the courts, the Public Prosecution Office, and the Federal Commission of Integrity form the core of the national accountability system, supported by executive institutions such as the Ministries of Justice and Foreign

²⁵ For example, the League of Arab States and the Riyadh Arab Agreement for Judicial Cooperation (1983), which regulates judicial cooperation and judicial requests among Arab States.

Affairs and by the financial-intelligence functions of the Central Bank of Iraq. Complementary mechanisms, including the Iraq Fund for the Recovery of Assets and mutual legal assistance channels, further strengthen the system's ability to manage recovered assets and engage with foreign jurisdictions. Although this multi-level structure constitutes a comprehensive institutional architecture, its effectiveness depends on the degree of coordination among the entities concerned, the clarity of their respective roles, and the speed and quality of inter-institutional information exchange. These institutional arrangements operate within a broader legal framework defining their powers, procedures, and interrelationships, as discussed in the following section.

2. Legal Framework

The legal framework governing asset recovery in Iraq consists of constitutional provisions, national legislation, and international legal instruments that collectively regulate the identification, investigation, adjudication, and recovery of misappropriated public funds. This framework provides the legal basis for both criminal accountability and civil compensation claims, as well as for international cooperation mechanisms concerning cross-border asset recovery.

2.1 Constitutional Basis

The Constitution of the Republic of Iraq of 2005 provides the general legal foundation for asset recovery by enshrining the protection of public funds, the accountability of public officials, and the rule of law. Article 27 safeguards public funds and prohibits their misuse or unlawful disposal, affirming that they are protected by law and may be dealt with only in accordance with legal procedures. Article 127 further reinforces accountability by prohibiting the granting of immunity in cases involving corruption or violations against public funds.

2.2 Relevant National Legislation

Iraq's national legislative framework for asset recovery is based on a number of principal laws governing criminal and civil liability, judicial procedures, and the enforcement of anti-corruption laws.²⁶

Penal Code and Criminal Procedure Code: These two laws constitute the legal basis for criminal accountability and also contain provisions concerning civil claims arising from damage caused by criminal conduct, including embezzlement, abuse of office, and illicit enrichment. The Penal Code requires a convicted person to return the proceeds of the offence in addition to other criminal penalties, while the Criminal Procedure Code permits provisional measures, including the freezing and seizure of assets during the investigation stage, to prevent their disposal pending a judicial decision.²⁷

Civil Procedure Law, Law No. 83 of 1969 regulates the institution and adjudication of civil actions and the enforcement of judgments, including interim measures such as attachment orders. An action is brought by the affected entity on the basis of evidence establishing the occurrence and value of the damage. In practice, procedural and evidentiary challenges and variations in the application of legal provisions may delay asset recovery through the civil pathway. The role of the civil courts and civil

²⁶ Iraqi legislation: [Iraqi Legislation Database](#).

²⁷ Penal Code No. 111 of 1969, as amended, Articles 17–29; Criminal Procedure Code No. 23 of 1971, as amended, including Articles 18, 19, 26, and 227.

actions is nevertheless increasingly important in light of the difficulty of enforcing criminal judgments delivered in absentia, which may not readily attain the required finality, as discussed below.

Federal Commission of Integrity and Illicit Gain Law, Law No. 30 of 2011 defines the Commission's mandate to prevent and investigate corruption offences and refer them to the judiciary. The Law indirectly supports asset recovery by enabling the Commission to gather and verify evidence, participate with the competent judicial bodies in investigations and trials, and provide the evidentiary basis required for related criminal proceedings and civil actions.

The Law contains provisions concerning embezzlement and illicit gain and requires the restitution of funds derived from such offences in addition to the other prescribed penalties.²⁸ It also recognises that civil actions arising from criminal conduct are not dependent on the issuance of a criminal judgment and that civil proceedings do not impede the continuation of the criminal case. Where a general or special amnesty is granted and funds are returned, affected persons retain the right to claim compensation before the civil courts.²⁹

Anti-Money Laundering and Counter-Terrorist Financing Law, Law No. 39 of 2015 provides the legal framework for detecting, monitoring, and reporting suspicious financial transactions. The Law establishes the Anti-Money Laundering and Counter-Terrorist Financing Office within the Central Bank of Iraq and requires financial institutions to submit suspicious transaction reports and apply customer due diligence requirements. It is a central instrument for tracing illicit financial flows and supporting asset-recovery efforts, particularly in cases involving complex financial transactions or cross-border transfers.

Financial Liability Law, Law No. 31 of 2015 introduced an administrative mechanism enabling public institutions to seek compensation from employees who cause financial damage without bringing a civil action. The Law establishes liability for damage arising from negligence, dereliction, or intentional violations and provides for the formation of investigative and inclusion committees to determine responsibility and assess the amount of damage. Although this mechanism is intended to accelerate the recovery of public funds, it faces practical challenges, including procedural delays, reliance on internal administrative assessments, and the inability to enforce inclusion decisions outside Iraq, which limits its effectiveness in cross-border asset-recovery contexts.³⁰

Additional legal and institutional mechanisms reinforce Iraq's asset-recovery system and support the competent authorities' ability to trace, freeze, confiscate, and manage illicit funds. Among the most significant is Anti-Money Laundering and Counter-Terrorist Financing Law No. 39 of 2015, which criminalises the laundering of illicit proceeds and provides mechanisms for tracing funds and assets associated with criminal activities within and outside Iraq through suspicious transaction reporting and cooperation with the competent authorities. The legal system also contains provisions governing

²⁸ For further discussion, see Al-Mudhaffar, *Principles of Civil Law*, Baghdad, 2015; legal scholarship on civil liability and compensation.

²⁹ Ibid.

³⁰ Discussions among participants in policy round tables organised under the Programme during the second year, involving judges, members of the Public Prosecution, and the Iraqi Jurists Union.

smuggled funds and seized or confiscated assets,³¹ including procedures for managing and disposing of seized public property in accordance with the law.

Depending on the nature of the asset and the judicial decision issued in relation to it, these procedures may include sale by public auction, transfer of the asset to a competent government entity, or return of the property to its owner where legal responsibility is not established or an acquittal is issued. In certain cases, applicable legislation or instructions may provide special arrangements for distributing proceeds or rewards connected with the detection or recovery of funds. Specialised institutions, including the Central Bank of Iraq, the Ministry of Finance, the General Commission of Customs, and the Federal Commission of Integrity, play an important role in implementing these legal tools and supporting asset tracing, freezing, and recovery. The effectiveness of these mechanisms, whether domestically or in cross-border asset-recovery cases, depends on institutional coordination and information exchange among the entities concerned, as well as the capacity of the competent authorities to implement legal and procedural measures in a timely manner.

2.3 Iraq's International and Regional Obligations

Iraq's domestic legal framework for asset recovery operates within a broader system of international legal obligations supporting anti-corruption, judicial cooperation, and cross-border asset recovery. Iraq is a party to a number of relevant international and regional conventions and instruments that provide the legal basis for cooperation with other States in tracing, freezing, confiscating, and recovering illicit funds.

United Nations Convention against Corruption

The United Nations Convention against Corruption (UNCAC), ratified by Iraq in 2007, constitutes the principal international legal framework for asset recovery.³² The Convention contains comprehensive provisions on prevention, criminalisation, international cooperation, and asset recovery. It requires States parties to adopt legal and institutional measures to freeze, seize, confiscate, and return proceeds of corruption and encourages mutual legal assistance and judicial cooperation in criminal matters. The Convention also requires States parties to criminalise a broad range of corruption offences and to adopt preventive measures applicable to both the public and private sectors. Chapter V is among its most significant components, as it establishes asset recovery as a fundamental principle of the Convention and provides a framework for international cooperation in identifying, tracing, freezing, confiscating, and recovering misappropriated public funds. In this sense, the Convention treats asset recovery as an extension of domestic judicial proceedings that depends on cooperation among competent authorities in different States.

Arab Convention against Corruption

Iraq's accession to the Arab Convention against Corruption, ratified in 2010, strengthens regional cooperation frameworks for the prevention and investigation of corruption and the recovery of

³¹ Law No. 18 of 2008 on the Seizure of Smuggled Funds and Goods Prohibited from Circulation in Local Markets.

³² United Nations Convention against Corruption (UNCAC), 2003, particularly Articles 31, 46, and 54–55 and Chapter V on asset recovery.

assets.³³ The Convention provides an additional legal basis for information exchange, mutual legal assistance, and cooperation among competent authorities in Arab States. The Arab Convention and the United Nations Convention against Corruption permit States parties to cooperate in freezing, confiscation, and asset-recovery proceedings in accordance with domestic laws and applicable procedural safeguards. In certain cases, recovery proceedings may be based on judicial or civil measures that do not necessarily require a final criminal conviction, where permitted by the national legislation of the States concerned.

2.4 International Cooperation and Mutual Legal Assistance Frameworks

In practice, Iraq relies on bilateral and multilateral agreements, as well as the principle of reciprocity, to facilitate mutual legal assistance in criminal matters. These frameworks permit the exchange of evidence and information, the execution of judicial requests, and cooperation in tracing, freezing, confiscating, and recovering assets located abroad. The effectiveness of these mechanisms depends to a significant extent on the quality of domestic procedures, the clarity of judicial requests, the sufficiency of the evidence submitted, and compliance with the legal requirements of the requested States. The strength of investigations and judicial orders issued by Iraqi authorities therefore directly affects the prospects of successful international cooperation and cross-border asset recovery.

In summary, Iraq's institutional and legal framework for asset recovery and civil compensation provides two complementary pathways for recovering assets and addressing harm caused by corruption offences: the criminal pathway and the civil pathway. These pathways are supported by a system of judicial, prosecutorial, investigative, and executive institutions, together with constitutional provisions, national legislation, and relevant international obligations. In practice, the criminal and civil pathways are closely interrelated. Evidence obtained during investigations and criminal proceedings may support civil claims, while civil judgments may contribute to the recovery of funds or the enforcement of financial claims where appropriate. The effectiveness of this system depends on the quality of investigations, the sufficiency of evidence, the efficiency of judicial procedures, effective coordination among national institutions, and cooperation with foreign authorities. The issuance of a judicial judgment does not, however, necessarily ensure that assets are recovered in practice, particularly in cases tried in absentia or where the relevant assets or persons are located outside Iraq, in which enforcement may face legal and practical challenges concerning recognition of judgments and cross-border cooperation.

Against this background, the following section examines the procedural pathways and practical measures for asset recovery and compensation claims, from case preparation, investigation, and evidence gathering through to the issuance of judicial judgments and their legal consequences.

3. Criminal and Civil Proceedings and Recovery Pathways

Asset recovery in Iraq consists of an interconnected sequence of legal and institutional procedures aimed at identifying, tracing, freezing, confiscating, and recovering assets derived from corruption or other economic offences for the benefit of the State or affected entities. A range of judicial,

³³ [Arab Convention against Corruption.pdf – Google Drive](#).

prosecutorial, oversight, and executive institutions participate in this process through parallel and complementary criminal and civil pathways, with recourse to international cooperation mechanisms where the relevant assets or persons are located outside Iraq.

3.1 Detection, Investigation, and Asset Identification: The asset-recovery process ordinarily begins with the detection of suspected corruption or financial offences by the competent oversight body, the Federal Commission of Integrity, an investigative authority, such as an investigating judge, or the Public Prosecution. This stage includes gathering preliminary information and evidence concerning the criminal conduct and identifying the persons and funds associated with it. Where indicators suggest the existence of proceeds of crime, asset-tracing procedures are initiated to determine the location, nature, and value of the assets, including bank accounts, real property, movable property, shares, commercial interests, and other assets within or outside Iraq. This stage requires cooperation among investigative, oversight, and financial entities, together with the use of official registries, banking information, and data available from relevant national and foreign authorities.

3.2 Seizure and Confiscation Procedures: Once suspected assets have been identified, provisional measures may be taken to prevent their transfer, disposal, or concealment during investigation and litigation. These measures include freezing and precautionary attachment orders issued by the competent judicial authorities in accordance with applicable law. This stage is particularly important in grand corruption cases and cases with an international dimension, where there is an increased risk that funds may be smuggled or transferred to other jurisdictions before the legal procedures required for their recovery have been completed.

3.3 Criminal and Civil Recovery Pathways: The Iraqi legal system provides two parallel and interconnected pathways for addressing the financial consequences of corruption offences: the criminal pathway and the civil pathway. The criminal pathway seeks to establish the defendant's criminal responsibility and impose the penalties prescribed by law, and may include confiscation or other measures relating to the proceeds of the offence. The civil pathway seeks to repair the financial harm suffered by the State or affected entity through claims for compensation or restitution based on the rules of civil liability. Although the two pathways are interconnected, the Iraqi judiciary has increasingly affirmed the independence of civil actions from criminal proceedings. Compensation claims may therefore be brought on the basis of the rules of tortious liability under the Civil Code without requiring a final criminal judgment in every case. The Supreme Judicial Council has likewise emphasised in its judicial guidance that civil claims should not be suspended pending completion of criminal proceedings where the constituent elements of civil liability, namely fault, damage, and causation, are established.

This issue is particularly important where a defendant has absconded or is located abroad. The continuation of criminal proceedings, or the issuance of a judgment in absentia that may be subject to retrial, does not necessarily preclude the continuation of civil claims seeking the recovery of funds or the compensation due. This approach helps reduce the risk that the financial rights of the State or affected entities will be suspended because criminal proceedings are prolonged or cannot be enforced immediately, as examined further in the analytical sections below.

3.4 Litigation, Judgments, and Enforcement: Once investigations have been completed and cases referred to the competent courts, the criminal courts assess the facts and evidence submitted in order to determine criminal responsibility and decide on the appropriate penalties and measures relating to the assets involved in the offence in accordance with the law. At the same time, affected entities may pursue civil claims before the competent courts for compensation or restitution. Civil courts may draw upon facts and findings established in criminal proceedings while retaining independent jurisdiction to assess civil liability, the extent of the damage, and the compensation due.

Enforcement is the decisive stage of the asset-recovery process. It encompasses the execution of confiscation orders and civil judgments concerning compensation or restitution. These measures include collecting the sums awarded or taking the steps necessary to dispose of confiscated assets in accordance with applicable legal frameworks. The effectiveness of this stage depends on the capacity of the competent authorities to identify and manage assets and to enforce judicial judgments effectively and promptly.

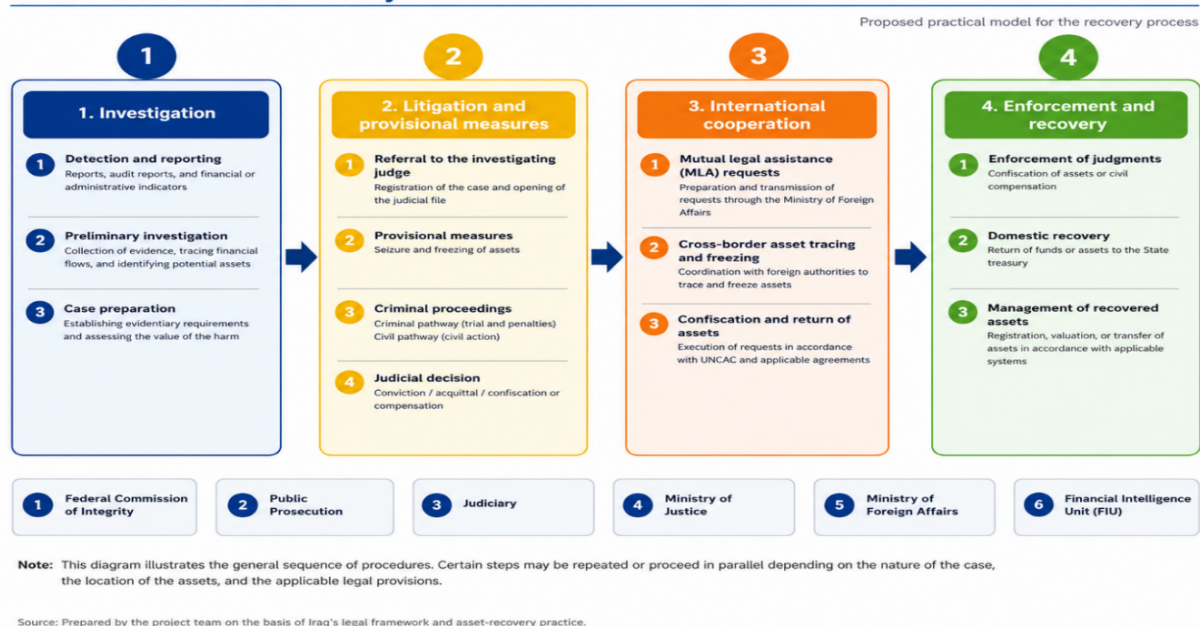
3.5 International Cooperation and Cross-Border Asset Recovery: Where the relevant assets or persons are located outside Iraq, international cooperation mechanisms become an essential component of the recovery process. These mechanisms include mutual legal assistance requests, information exchange, extradition, and the enforcement of freezing or confiscation orders pursuant to bilateral and multilateral agreements and the principle of reciprocity.

The United Nations Convention against Corruption provides an important legal framework for international cooperation on asset recovery, particularly through the provisions of Chapter V. Successful use of these procedures also requires comprehensive legal files containing the evidence, judicial decisions, and documentation necessary to satisfy foreign authorities that the requested measures should be taken.

4. Conclusion

Practice in Iraq demonstrates that the effectiveness of asset recovery depends not only on the existence of an appropriate legal framework, but also on the degree of coordination among the competent institutions, the speed of information exchange, the quality of financial investigations, and the capacity to manage cross-border cases. The interaction between the criminal and civil pathways is an important feature of the Iraqi system, as it enables financial claims and the recovery of rights to continue even where criminal proceedings face challenges arising from absconding defendants or prolonged litigation. Strengthening the integration of these two pathways can therefore contribute to more effective asset recovery and protection of public funds.

**Figure 1 – The Procedural Pathway for Recovering Funds in Iraq:
From Detection to Recovery**



Part Three: Quantitative and Qualitative Analysis and Key Findings

1. Monitoring in accordance with the Recovery Framework in Iraq

Part III focuses on analyzing how the asset recovery system for corruption proceeds operates in practice in Iraq, with the aim of addressing a central question: to what extent does the state, after uncovering corruption incidents and prosecuting defendants criminally, succeed in recovering public funds that have been embezzled or damaged? This question is examined by tracking the actual performance of recovery mechanisms and measuring the gap between the rights to asset recovery as provided under laws and international conventions, and the outcomes achieved in practice in terms of recovered proceeds, compensation judgments, and enforcement. In this sense, this part serves as a bridge between the legal diagnosis presented in the previous sections and the practical recommendations set out in Part V, by offering a comprehensive quantitative and qualitative picture of the strengths and weaknesses of the current system.

In cases of grand corruption, harm is not limited to the criminal dimension of legal violation but is primarily reflected in the financial and developmental losses affecting the state and society. The embezzlement of public funds, their misuse, or their diversion for illicit purposes effectively undermines the state's ability to finance essential services, infrastructure, and social programs. From this perspective, criminal conviction alone is insufficient to achieve justice, as an offender may be convicted and punished while illicit assets remain beyond the reach of the state.

Asset recovery therefore constitutes an indispensable and complementary pillar of justice in corruption cases. It shifts accountability from the level of punishment to that of redress, ensuring that misappropriated funds are returned to their rightful place. This part of the report is grounded in this

broader understanding of justice, viewing asset recovery as a key element in restoring trust in public institutions and strengthening the deterrent effect of anti-corruption frameworks.

1.1 The Dual Criminal and Civil Recovery Pathways

The asset recovery system is, in principle, structured around two parallel and complementary legal tracks:

The criminal track focuses on establishing criminal liability, imposing sanctions, and applying measures such as seizure, freezing, and confiscation in accordance with the Penal Code and the Code of Criminal Procedure. Within this track, the role of the state is reflected in prosecuting crimes and protecting public funds through available criminal law tools.

The civil track aims at repairing financial harm and recovering funds for the benefit of the state or affected parties. It is grounded in the rules of tort liability under civil law, whereby any harmful act gives rise to an obligation to compensate, as well as in the legal mechanisms that allow for the filing of compensation and recovery claims before competent civil court

This report does not assume that the civil track is subordinate to, or necessarily dependent on, the criminal track or its outcomes. Rather, it approaches them as two tracks that can—and should—operate in an integrated manner. A criminal conviction alone does not, in itself, guarantee the recovery of public funds, just as a civil claim that is not supported by findings from criminal investigations and financial evidence is likely to be less effective. The analysis therefore focuses on how each track is activated in practice, the points at which they intersect, and the areas where their integration breaks down despite the existence of a legal framework that allows for such coordination.

This analysis is situated within the framework of domestic law as well as Iraq’s obligations under the United Nations Convention against Corruption (UNCAC), which constitutes the principal international reference in the field of asset recovery, in particular:

- Article 31: on measures for freezing, seizure, and confiscation;
- Article 53: on the use of civil mechanisms for direct asset recovery;
- Article 57: on the return and disposal of assets, particularly in cross-border contexts.

Through these provisions, asset recovery is not treated as an optional measure, but rather as a legal obligation and an integral component of the justice system in corruption cases. This framework is used in the report not only to assess national legislation, but also to examine judicial and institutional practices, particularly in terms of the transition from formal compliance to effective implementation.

To provide a comprehensive understanding of the performance of the recovery system, this section adopts the concept of the “continuum from detection to recovery.” Under this framework, asset recovery is not viewed as an isolated measure at the end of judicial proceedings, but rather as a sequence of interconnected steps that begins at the earliest stage of identifying financial harm.

- This continuum typically includes:
- identifying and documenting damages through integrity bodies and audit institutions;
- tracing financial flows and identifying assets and beneficiaries;
- applying seizure and confiscation measures to prevent asset dissipation;
- pursuing criminal proceedings to establish the offence and liability;

- activating the civil track to seek compensation or restitution;
- obtaining and enforcing judgments, and ultimately returning recovered assets to the public treasury or affected entities.

This “sequential” approach makes it possible to identify points of breakdown or weakness within the system—whether in asset tracing, the limited use of early restraint measures, the absence of civil claims, or challenges in domestic or cross-border enforcement.

In light of this framework, Part III provides both a quantitative and qualitative analysis of the criminal and civil recovery tracks, as well as their points of convergence and disconnection, as a basis for formulating recommendations that address the integrity of the system as a whole.

1.2 Report Methodology and Data Sources

This Part draws on four principal sources of evidence, which were used to provide a multi-dimensional assessment of the criminal and civil recovery pathways by combining case facts, institutional practice, and the governing legal framework. The analysis focuses on domestic recovery, while addressing cross-border recovery as a complementary component because of constraints on access to data concerning cross-border cases.

First: Criminal Pathway Database – 482 Grand Corruption Cases since 2022

The first source is an extensive criminal-pathway database developed by the Trial Monitoring Programme since August 2022 through the systematic monitoring of trial hearings before the Central Anti-Corruption Criminal Court.³⁴

The database contains 482 grand corruption cases in which the Programme:

- monitored the principal hearing proceedings;
- documented decisions and judgments;
- recorded measures taken to trace, freeze, seize, or confiscate assets;
- followed, to the extent possible, enforcement procedures concerning the recovery of funds derived from corruption offences.

This database provides the principal quantitative basis for analysing the criminal pathway, including the scale of documented harm, patterns in the use of seizure and confiscation tools, case outcomes such as convictions, acquittals, and returns for further investigation, and points of disconnection between the criminal judgment and any subsequent recovery measures.

Second: Civil Pathway Database – 60 Civil Compensation Actions (2024–2026)

The second source is an independent civil-pathway database developed between November 2024 and January 2026 through the monitoring of 60 civil compensation actions brought before the courts of first instance in Karkh, Rusafa, Ninewa, and Karrada.

These actions share the following characteristics:

- they were brought by public institutions;

³⁴ [First and Second Trial Monitoring Reports, Publications | United Nations Development Programme.](#)

- they concerned compensation for material damage or loss of profit arising from corruption-related conduct, damage to public funds, mismanagement of public assets, or non-compliance with judgments and judicial decisions;
- they contained express claims for the recovery of funds, compensation for missing amounts, or assets that had not been recovered.

The sample comprised:

- 36 actions monitored contemporaneously, through attendance at hearings and the direct collection of data on the progress of proceedings and court decisions;
- 24 actions analysed retrospectively through a review of available case files and judgments.

The variables analysed in these cases included the identity of the claimant institutions, the characteristics of the defendants, the legal basis of the claims, any relevant criminal provisions, the amounts of compensation claimed, the outcomes of judgments, and related enforcement procedures. This source enabled an assessment of the civil pathway as an independent or complementary channel to the criminal pathway for the recovery of funds.

Third: Institutional and Technical Consultations with National Entities

The third source consisted of a series of technical consultations and institutional meetings with national entities concerned with the recovery of assets and funds, particularly:

- the judiciary and its representatives in the criminal and civil courts;
- the Public Prosecution;
- the Federal Commission of Integrity;
- the entities responsible for asset recovery and international cooperation, including those overseeing implementation of Iraq Fund Recovery Law No. 9 of 2012.

These consultations sought to:

- interpret the quantitative patterns revealed by the databases;
- verify practices appearing repeatedly in judicial files;
- identify the practical constraints faced by judges, legal representatives, and recovery units;
- collect institutional perspectives on the causes of the gap between criminal accountability and financial recovery, both domestically and across borders.

These institutional inputs added an explanatory dimension to the quantitative findings and helped distinguish shortcomings attributable to legislative gaps from those arising from operational, organisational, or resource constraints.

Fourth: Review of the Legal and Institutional Framework and Available National Data

The fourth source was an analytical review of the legal and institutional framework, legislation relevant to asset recovery, and available national data and statistics. In particular, the review covered:

- Penal Code No. 111 of 1969 and Criminal Procedure Code No. 23 of 1971, particularly the provisions concerning embezzlement, damage to public funds, abuse of office, ancillary civil claims, and judgments in absentia under Articles 243–245;
- Civil Code No. 40 of 1951, particularly Article 202 concerning tortious liability and compensation for harmful acts;

- Iraq Fund Recovery Law No. 9 of 2012, which regulates the powers and institutions responsible for recovering funds transferred abroad;
- Law No. 35 of 2007 ratifying the United Nations Convention against Corruption, with particular emphasis on Chapter V on asset recovery and Articles 31, 53, and 57;
- relevant judicial circulars, particularly the Supreme Judicial Council's 2021 circular concerning compensation claims based on tortious liability and the need not to suspend such claims pending the finality of a criminal judgment;
- available national data on the volume of recovered funds, confiscation orders, and mutual legal assistance requests, to the extent accessible to the Programme.

This review provided the reference framework required to assess the consistency of judicial and institutional practice with national legislation and international obligations, and helped situate the quantitative and qualitative findings within a broader context extending beyond individual cases to the design of the system as a whole.

2. Criminal Recovery Pathway

2.1 Patterns in the Upper and Lower Ranges of Damage Assessment (2022–2025)

The Trial Monitoring Programme database reveals a clear trend in the performance of the criminal pathway: the documentation of financial losses associated with corruption cases has become more systematic and precise over time, with a marked increase in the number of cases containing quantified estimates of damage.

Over the three years, the following developments were observed:

- **First year, 2022–2023:** 60 of 150 criminal cases contained express estimates of financial loss. The average loss in these cases was relatively high, at approximately IQD 28 billion, equivalent to about USD 21 million, with values ranging from a minimum of IQD 3.3 million to IQD 425 billion in the largest cases. This variation reflects a broad spectrum of cases, from relatively limited financial violations to major embezzlement cases.
- **Second year, 2023–2024:** the number of cases containing financial estimates increased to 86 out of 170, indicating improved incorporation of financial harm into case files. The average loss declined to approximately IQD 7.8 billion, equivalent to about USD 6 million. Approximately half of these cases involved losses below IQD 1 billion, reflecting the inclusion of a larger number of medium- and lower-value cases within the financial documentation process.
- **Third year, 2024–2025:** the proportion of cases containing financial estimates remained broadly stable at 87 out of 162 cases, approximately 54 per cent. The composition of these cases changed, however. In 67 per cent, losses exceeded IQD 200 million, while in more than 3 per cent of cases the estimated losses approached IQD 1 trillion, involving major corruption cases with substantial financial impact.

These figures reveal a graduated spectrum of cases. At the lower end are cases involving mismanagement or damage to public funds in relatively limited amounts, often associated with lower- or middle-level administrative positions. At the upper end are organised embezzlement or abuse-of-office cases involving hundreds of billions, or in a small number of cases approximately one trillion

Iraqi dinars, reflecting complex corruption networks and direct effects on the public treasury. This variation in the scale of wasted funds means that the criminal justice system faces different challenges according to the nature and scale of the case. Addressing an embezzlement of several million dinars differs fundamentally from addressing a complex scheme involving hundreds of billions of dinars or billions of United States dollars.

Despite the clear improvement in documenting financial losses, the data do not show a corresponding increase in the rate of recovery through the criminal pathway or subsequent civil actions. In other words, the scale of financial harm has become clearer and more detailed in case files, but this clarity has not yet been translated into substantial asset-recovery outcomes. This paradox, increased documentation accompanied by limited recovery, is one of the central findings of this Part. It demonstrates that the problem is not the ability to identify the extent of the damage, but the institutional and procedural capacity to convert that knowledge into seizure orders, confiscation judgments, successful compensation actions, and effective enforcement returning funds to the State.

2.2 Seizure and Confiscation Orders in the Criminal Pathway

Temporary seizure of assets is the principal preventive instrument within the criminal pathway. Article 31 of the United Nations Convention against Corruption requires such measures to ensure that proceeds of corruption are not transferred or dissipated before the conclusion of the trial.

Analysis of three years of data covering 482 monitored cases nevertheless shows that the use of seizure orders remains limited and inconsistent:³⁵

Year	Seizure during investigation	Seizure during trial
2022–2023	11%	Limited
2023–2024	5%	Very limited
2024–2025	7%	Low

These figures show that seizure is applied in only a limited proportion of cases and has not become a standard practice, but remains closer to an exception. In addition to the small number of orders, some were issued only at the trial stage, allowing assets to be concealed, transferred, dissipated, or moved outside the jurisdiction and thereby reducing their effectiveness.

Illustrative Example: Inclusion of Seizure in a Criminal Judgment

One case before the Central Anti-Corruption Criminal Court specialising in corruption cases clearly demonstrates this position. A former employee of the Federal Commission of Integrity was convicted of receiving a bribe in connection with a high-value financial transaction, and the court included in the operative part of its judgment an order attaching his movable and immovable property. Formally, the judgment reflects the requirements of Article 31 of the United Nations Convention against Corruption by combining a criminal penalty with a provisional measure designed to secure the assets.³⁶ A review of the file nevertheless shows that the attachment was ordered at a late stage, after ownership of

³⁵ [First and Second Trial Monitoring Reports, Publications | United Nations Development Programme.](#)

³⁶ Case No. 83/CC/2024.

some assets had been rearranged or the assets dissipated. The example demonstrates that merely including an attachment order in the judgment is insufficient. Its effectiveness depends substantially on its timing and on whether it accompanies the earliest stages of the investigation.

Risk of Asset Dissipation during Reinvestigation or Procedural Stays

The monitoring findings show that periods during which cases are returned for further investigation or trials are stayed to complete the evidence constitute high-risk windows for the dissipation of assets, particularly where attachment orders are not renewed or their enforcement is not effectively followed up.

In a number of files, a decision to return the case for further investigation, although intended to improve the quality of the file and the prospects of conviction, prolonged proceedings without parallel measures to preserve assets. This tension between safeguarding the integrity of the criminal process and the challenge of protecting disputed property undermines the purpose of Article 31, which requires provisional measures to remain in force throughout all stages of proceedings.

2.3 Civil Claims by Affected Institutions

Although financial damage is increasingly documented in criminal proceedings, the institution of civil actions and use of asset-preservation measures remain inconsistent and uneven in practice.³⁷

Criminal Cases and Civil Compensation Claims:

Years	Cases including claims	Cases without claims	Cases in which claims were withdrawn	Cases without representation / with intermittent representation
2022–2023	59 (total: 136)	54%	70 / 136	31 / 136
2023–2024	48 (total: 173)	54%	46 / 173	33 / 173
2024–2025	47 (total: 162)	48%	78 / 162	33 / 162
Only 9 of these cases progressed to the civil pathway				

These figures show a consistent pattern across the monitoring years. Civil compensation claims are frequently not brought, are not maintained, or are not effectively pursued, even in cases involving substantial financial losses and final convictions. Across all years, a significant proportion of eligible cases did not reach civil litigation because no action was instituted, the claim was withdrawn, or the civil action contained procedural defects, as discussed below.

The following are examples of cases in which affected institutions did not pursue civil compensation despite a conviction:

³⁷ [First and Second Reports of the Trial Monitoring Programme for Grand Corruption Cases at the Federal Level.](#)

- * **Sunni Endowment case:** deliberate undervaluation of a publicly owned hotel → loss of IQD 48 billion → no civil action instituted.
- * **School reconstruction case:** engineering mismanagement → losses of IQD 19.8 billion → no civil action instituted.
- * **Former governor case:** embezzlement of IQD 700 million → no subsequent civil proceedings.
- * **Baghdad Airport Police case:** bribery of IQD 1 million → limited recovery through fines.
- * **General Commission for Taxes fund case:** embezzlement of USD 2.5 million → limited partial recovery.³⁸

2.4 Asset Declarations as a Preventive and Recovery-Supporting Tool

The asset-declaration system administered by the Federal Commission of Integrity is one of the principal preventive tools within the anti-corruption system.³⁹ It enables the early detection of illicit gain, the identification of unexplained discrepancies between officials' resources and assets, and support for financial investigations and asset recovery where necessary. Over the past three years, the Central Anti-Corruption Criminal Court considered 7, 8, and 6 illicit-gain cases respectively. In cases resulting in conviction, the Court ordered recovery of the amount of illicit gain together with a fine of equivalent value.

The monitoring findings and stakeholder consultations nevertheless indicate that the preventive and recovery value of this system remains underused owing to a number of challenges, principally:

- limited substantive verification of the accuracy of declarations because of constraints on the Commission's human and technical capacity;⁴⁰
- difficulties in cross-checking declarations against other databases, including financial and banking records, real-estate and movable-property registers, and commercial registries, reducing the ability of the relevant bodies to identify unexplained wealth;
- the absence or inconsistent use of follow-up mechanisms where discrepancies or suspicions are detected, whether through opening administrative or criminal investigations or applying provisional measures to the assets concerned.

Comparative experience indicates that effective asset-declaration systems generally rely on:

- specialised verification and financial-analysis units within the relevant bodies;
- systematic integration with financial intelligence units and investigative authorities;
- clear and regulated follow-up procedures where discrepancies between a declaration and the actual position are identified;
- transparency and accountability frameworks enabling declarations to be used as part of a broader system of control and recovery.

³⁸ Monitored case numbers: 49/CC/2024, 53/CC/2023, 69/CC/2024, 169/CC/2023, 121/CC/2023, and 163/CC/2024.

³⁹ Pursuant to the Federal Commission of Integrity and Illicit Gain Law No. 30 of 2011, as amended.

⁴⁰ Asset declarations, as a principal preventive measure within the Federal Commission of Integrity's framework, were discussed extensively during several consultations with the Commission's Recovery Department. On the basis of those exchanges, the introduction of advanced digital solutions to strengthen compliance and monitoring is currently under consideration.

In the Philippines, for example, the Office of the Ombudsman monitors the declarations of senior officials and may initiate administrative or criminal proceedings concerning unexplained wealth. In Indonesia, the Corruption Eradication Commission integrates the declaration system into audit and investigative processes, enabling the early identification of risks involving misuse of public funds. In South Africa, the Public Service Commission verifies declarations by senior officials and refers discrepancies to the competent investigative authorities.⁴¹

These practices indicate that asset declarations can perform a dual role: a preventive role by deterring corruption and the accumulation of illicit wealth, and a recovery role by providing an information base that assists in tracing assets and justifying seizure or confiscation measures where appropriate. For Iraq, strengthening the asset-declaration system through verification, cross-checking, and follow-up would therefore serve not only the objective of preventive integrity, but could also provide an important means of improving the performance of the asset-recovery pathway by generating additional evidence and more precise tracing of financial flows, thereby strengthening recovery and the Commission's central role in this field.

2.5 Limits of the Criminal Pathway and Its Role in Recovery

The jurisdiction of the criminal court is limited to adjudicating the criminal case and imposing punishment. A review of judgments of the Central Anti-Corruption Criminal Court shows that many judgments, including those in high-value cases, are confined to:

- establishing criminal responsibility;
- imposing penalties, including imprisonment and fines;
- ordering confiscation where this is clear and practicable;

while repeatedly including in the operative part of the judgment the formulation: "The injured party may apply to the civil court to claim compensation." This approach reflects the traditional nature of criminal jurisdiction, which focuses on the offence and punishment and leaves complex financial matters, including the precise assessment of damage, apportionment of liability among multiple parties, and settlement of financial accounts, to the civil courts specialising in such disputes. A civil claim within criminal proceedings is therefore ancillary and exceptional in character. Criminal Procedure Code No. 23 of 1971 permits an injured party to bring an ancillary civil claim within the same criminal proceedings. It does not, however, require the criminal court to determine that claim in every case and permits referral of the civil claim to the civil courts where the court considers this more appropriate, particularly in cases requiring specialised accounting expertise, analysis of complex contracts, or determination of interconnected financial liabilities.

In grand corruption cases, funds are often distributed among several defendants, transferred to multiple accounts or companies, mixed with legitimate funds, or subject to domestic and foreign seizure and recovery procedures. These complexities make it difficult for a criminal court, within a limited procedural and temporal framework, to determine civil rights in full, and referral to the civil courts may therefore be preferred. When the court states in its judgment that "the injured party may apply to the civil court to claim compensation", it does not formally deny the injured party's right.

⁴¹ United Nations Office on Drugs and Crime (UNODC), *Income and Asset Declaration Systems: Country and Thematic Analyses* (Philippines, Indonesia, and South Africa), Vienna, 2019.

Rather, it implicitly recognises compensable harm and identifies the procedural route to be followed by the entities responsible for recovering funds after the criminal proceedings have concluded. The difficulty lies in what follows: the absence of a clear institutional system ensuring that the affected entity actually brings the civil action, obtains competent and continuous legal representation, uses the criminal evidence to support the civil action, and preserves attached assets during the transitional period.

In many cases, such a referral remains a formal measure that does not automatically lead to the actual recovery of funds. The role of the criminal pathway commonly ends with conviction and, in some cases, partial confiscation, without structural safeguards ensuring that an effective civil pathway follows to complete reparation and restore public funds. This institutional gap between the point at which criminal jurisdiction ends and civil jurisdiction begins is central to understanding the relative weakness of asset recovery despite comparatively successful criminal prosecution in a number of cases.

2.6 Absentia Judgments and the Challenge of ‘Finality of Verdicts’

In grand corruption cases, all defendants are not invariably present before the court. Some frequently abscond, requiring the courts to use the mechanism of trial and judgment in absentia. The Criminal Procedure Code regulates these situations through the following provisions:

- **Article 243** permits the court to proceed with a trial in absentia where the defendant has absconded or fails to appear despite having been duly notified, in order to preserve the administration of justice and prevent its obstruction;
- **Article 244** governs notification of a judgment in absentia and the available means of challenge;
- **Article 245** provides that a judgment in absentia does not become final against an absconding defendant until the defendant is arrested or surrenders, at which point the defendant is entitled to object and be retried.⁴²

These provisions mean that, although a judgment in absentia determines the criminal proceedings for the purpose of imposing a sentence in the defendant’s absence, it remains subject to reconsideration and does not have final binding effect against the absconding defendant. The possibility of objection renders the legal status of a judgment in absentia less stable than that of a final judgment delivered in the defendant’s presence, and its outcome may change if the defendant later appears before the court.

In practice, some civil courts have relied on this position to conclude that a judgment in absentia that has not attained finality prevents them from admitting a civil claim based on that judgment, or justifies dismissing the claim pending further developments. As a result, the compensation rights of affected entities have effectively been made contingent on an uncertain future event, namely the arrest or surrender of the absconding defendant. This interpretation makes the injured party’s position

⁴² An exception to the finality of judgments within the prescribed periods—namely, thirty days for misdemeanors, three months for minor offenses, and six months for felonies—applies to defendants sentenced to death, life imprisonment, or term imprisonment (Article 245(d)). Pursuant to Article 154(b), the court retains the case file until the convicted person surrenders himself or is apprehended and retried in accordance with Article 247. Under the Penal Code, term imprisonment refers to a sentence exceeding five years and up to fifteen years.

dependent on the will of the absconder: the longer the defendant remains at large, the longer the judgment remains non-final and the weaker the prospects of using it as a strong basis for a civil action under this interpretation of the relationship between criminal and civil proceedings.

Judicial Approach to Disconnect the Absentia Judgments and Civil Proceeding

This judicial practice and understanding of the relationship between judgments in absentia and civil actions has, however, been reconsidered. The Federal Court of Cassation⁴³ has reaffirmed the independence of civil liability from criminal responsibility and has held that:

- a civil action is founded principally on the rules of tortious liability under the Civil Code, rather than solely on the existence of a final criminal judgment;
- a civil court may determine compensation on the basis of proof of the harmful act, damage, and causation, even where the criminal judgment was delivered in absentia or has not attained finality;
- a defendant's absconding must not be permitted to suspend the injured party's right to compensation indefinitely.

The legal and judicial framework therefore permits the civil pathway to proceed with greater independence from the constraints associated with judgments in absentia. Continued dismissal of civil actions on the ground that a judgment in absentia has not attained finality consequently reflects, in many cases, insufficient application of the modern judicial approach rather than an absolute legal necessity, as the following section demonstrates.

3. Civil Pathway for Asset Recovery and Compensation

3.1 Tortious Liability under Article 202 of the Iraqi Civil Code

The civil pathway for asset recovery in Iraq is based on the rules of tortious liability under the Civil Code, particularly Article 202 of Civil Code No. 40 of 1951, which provides that "every act causing harm to another gives rise to an obligation to compensate". Any unlawful act causing harm to another therefore creates a duty to provide compensation, irrespective of whether the act also constitutes a criminal offence. In the context of corruption cases, this means that:

- the State and affected public entities are entitled to bring civil actions seeking restitution of embezzled or misappropriated funds or compensation for damage caused to public funds;
- in principle, a final criminal conviction is not required as the sole basis for such actions where the harmful act, damage, and causal relationship can be established through civil evidence.

In this sense, the Civil Code, rather than criminal law alone, provides a complete legal basis for recovering funds and compensating financial harm arising from corruption. This rule reflects the broader principle in the Iraqi legal system that civil liability is independent of criminal responsibility. Criminal responsibility is based on the Penal Code and seeks to establish guilt and impose punishment, whereas civil liability is based on fault, damage, and causation under the Civil Code and seeks to repair

⁴³ Federal Court of Cassation, Decision No. 236/Expanded Civil Panel/2016, 20 September 2016: [Supreme Judicial Council](#).

harm and, to the extent possible, restore the position that existed before the harm occurred. This means that:

- a civil action is not merely an adjunct to criminal proceedings, but an independent action that may, in certain circumstances, be brought in the absence of a criminal prosecution or notwithstanding the conclusion of criminal proceedings without a conviction;
- the civil court has authority to assess civil liability on the basis of its own evidence and is not invariably bound by the outcome of the criminal pathway, provided that the elements of tortious liability are established before it.

As noted above, the Federal Court of Cassation has affirmed this principle, holding that a civil court may rely on a criminal judgment as strong evidence or an important presumption, but is not required in every case to suspend its determination of civil liability pending the finality of the criminal judgment. The Supreme Judicial Council also sought to address uncertainty in practice concerning the relationship between criminal judgments and civil actions through a 2021 circular to the courts containing clear directions, including:

- compensation actions should be based on the rules of tortious liability under the Civil Code rather than on awaiting the outcome of criminal proceedings;
- civil rights should not be made conditional on the criminal judgment attaining finality, particularly in cases involving judgments in absentia that may remain unresolved for prolonged periods because the defendant has absconded;
- a defendant's absconding must not be permitted to suspend the injured party's right to compensation where the harmful act, damage, and causation can be established through independent evidence.

Through this circular, the Supreme Judicial Council sought in practice to remove the unnecessary link that had developed in some judicial practice between the finality of a criminal judgment and the ability to pursue civil compensation, and to strengthen the independence of the civil pathway as a stand-alone mechanism for recovering funds.

 Legal Insight: Scope of Civil Compensation in Asset Recovery Cases (Iraq)

Under Iraqi law, the civil track of asset recovery is not limited to awarding supplementary or residual damages. Pursuant to the general principles of tort liability under the Iraqi Civil Code—most notably the rule that every wrongful act causing harm gives rise to an obligation to compensate—civil courts may award compensation covering the full extent of financial harm.

This includes both: the principal loss, such as the amount of embezzled funds as established in criminal proceedings; and any additional damages, including loss of use, lost profits, and other consequential harm. Criminal judgments are binding in establishing the occurrence of the offence and the responsibility of the defendant, and they serve as a key evidentiary basis for the assessment of damages before civil courts.

However, the principle of prohibition of double recovery applies. Where restitution has already been effected through criminal measures—such as confiscation or asset recovery—the civil court will limit its award to any outstanding losses or damages not previously compensated.

 This framework confirms that the civil track plays a complementary and corrective role, ensuring the effective realization of financial redress beyond the limits of criminal proceedings.

This interpretation is consistent with Article 53 of the United Nations Convention against Corruption, which requires States parties to enable other States and injured parties to bring civil actions before their courts to recover proceeds of crime and obtain compensation for damage caused by corruption. Article 53 does not require a final criminal conviction as a necessary condition for every such claim, but permits direct use of civil mechanisms. Iraq's use of tortious liability as a basis for corruption-related compensation claims and the ability of civil actions to proceed with relative independence from the criminal pathway therefore constitute practical alignment with Article 53, provided that this approach is fully implemented in practice.

Despite the clarity of this framework, monitoring showed that some courts continue to dismiss civil actions because criminal judgments delivered in absentia have not attained finality. This reveals a gap between the directions and jurisprudence of the higher judicial authorities and day-to-day practice in certain courts of first instance.

3.2 Civil Actions: Key Findings from the Monitored and Reviewed Sample

1. Number and Type of Cases: During the monitoring period from November 2024 to January 2026, the Programme followed a total of 60 civil compensation actions relating to the recovery of public funds. Of these, 36 were monitored directly in court and 24 were reviewed through examination of available case files and judgments. This distribution enabled the analysis to combine real-time observation of procedural dynamics during ongoing cases with a detailed review of judgments and their reasoning in concluded cases.

The claims varied, but all were connected with corruption offences, abuse of office, or damage to public funds. In particular, they included:

- compensation for direct material damage, including the embezzlement of cash, misappropriation of grants or loans, or dissipation of funds held in public accounts or funds;
- compensation for loss of profit, such as profits or returns that a public institution should have received but was deprived of because of the harmful act;
- compensation for mismanagement of public assets, including the unlawful disposal of State-owned real estate or funds;
- claims arising from failure to enforce previous judgments or judicial decisions of a financial nature.

Almost no claims were recorded for non-material damage suffered by public institutions, which is consistent with the general rules that ordinarily do not permit compensation for moral damage to legal persons in this context.

2. Courts Covered and Geographical Representation: The actions were heard before courts of first instance in four principal judicial districts: Karkh, Rusafa, Ninewa, and Karrada. This geographical distribution provides an informative sample within the federal system and permits comparison among different courts operating under the same legal system but within diverse institutional and local environments.

3. Claimants and Defendants: The sample showed that the claimants were almost exclusively public institutions, most notably:

- State-owned banks, which appeared with notable frequency, reflecting both their repeated exposure to risks of embezzlement or dissipation of funds and their possession of a degree of legal and administrative capacity enabling them to institute and maintain proceedings;
- the Ministry of Finance, which maintained a consistent presence in accordance with its central role in protecting and pursuing the recovery of public funds;
- security and service institutions, including the Ministry of Interior, the Counter-Terrorism Service, and the Ministry of Construction, Housing and Public Municipalities, particularly in cases relating to public procurement, infrastructure projects, or security assets;
- other federal and local entities, including the Office of the Prime Minister, the Iraqi National Intelligence Service, and governorate offices, although to a lesser extent.

It is notable that certain sectors generally regarded as presenting a high corruption risk do not appear with the same frequency as civil claimants. This raises questions regarding differences in institutional capacity, priorities, or willingness to bear the cost of litigation.

3. **Characteristics of Defendants:** Most defendants were lower- or middle-ranking public officials or persons outside the administration who had dealt with public funds, including contractors and other contracting parties. The sample nevertheless included a number of senior officials or persons holding prominent positions, including a former governor, a minister, five directors-general, four chief executives of private companies, and three deputy directors.

This distribution suggests that recovery through civil actions is concentrated more heavily in cases where administrative and financial responsibility can be clearly traced and where the structure of the damage is less complex, whether in terms of the number of parties or the movement of funds. By contrast, grand corruption cases involving complex networks, multiple parties, and cross-border dimensions are less visible in the civil pathway despite their significance in the criminal pathway, suggesting that case complexity may impede their conversion into effective civil claims.

5. Legal Characterisation in Civil Actions: The factual and legal bases most commonly observed in the analyzed cases include conduct related to crimes such as intentional damage (destruction of property), embezzlement, abuse of office, and illicit enrichment, in addition to instances where the legal basis is not clearly specified. In such cases, the criminal judgment or the underlying facts of the criminal proceedings are used as a key factual foundation supporting the civil claim, even when not explicitly or comprehensively referenced in the statement of claim.

More broadly, the data reflect significant variation in how the legal basis of claims is identified and articulated across cases. In some instances, case files reveal weak legal substantiation or an unclear linkage between the facts and the applicable legal provisions. These legal bases often appear fragmented, as claims are frequently constructed on the general rules of tort liability without precise legal qualification or sufficient connection between the facts and specific legal provisions. This, in turn, affects the clarity of the legal basis, the accuracy of the legal characterization, and the scope of the claims advanced.

In addition, practical factors play a significant role in shaping case outcomes. These include variations in the quality of legal representation, weaknesses in procedural organization, and the limited or inconsistent use of expert evidence or precautionary measures. Despite frequent reliance on the facts of specific criminal offences or related criminal judgments, the number of civil claims built upon them remains limited when compared to the volume of criminal prosecutions. This reflects a gap in the

practical activation of these legal tools and reinforces the disconnect between establishing criminal liability and pursuing civil compensation, even in cases where a strong legal basis exists.

6. Judgments and Compensation Trends in Civil Claims: The results of judicial decisions reveal a complex picture that reflects ongoing challenges in translating criminal accountability into effective financial recovery, in line with Articles (31), (53), and (57) of the United Nations Convention against Corruption (UNCAC).

- Monitored cases (36 cases): In 11 cases, compensation was awarded, ranging from IQD 500,000 to IQD 5,016,000,000. In contrast, 14 cases concluded without compensation, of which 12 were dismissed on procedural and substantive grounds, and 2 were closed at the request of the plaintiffs. A further 11 cases remain pending.
- Reviewed cases (24 cases): Among these, 16 resulted in compensation awards ranging from IQD 500,000 to IQD 30 billion, while 8 cases were dismissed on procedural grounds or deemed inadmissible.

These findings indicate that compensation is practically achievable, and that courts respond to recovery claims when procedural requirements are met and cases are presented in a coherent and well-supported manner.

However, the data also reveal a notable inconsistency in outcomes, not due to shortcomings in the legal framework, but rather as a result of procedural and practical factors. A significant proportion of claims—including those based on criminally established corruption facts—are dismissed for procedural or formal reasons rather than for lack of legal basis.

This variation underscores the decisive role of procedural preparedness, the quality of legal representation, and the timing of procedural actions in shaping the trajectory of civil claims and determining their success in achieving effective financial recovery.

7. Reasons for Dismissal of Civil Claims: The analysis of the reasons for the dismissal or inadmissibility of claims (12 monitored cases and 8 reviewed cases out of a total of 60 civil claims) indicates that the determining factors are primarily procedural and operational in nature.

- Procedural grounds: In a number of cases, civil claims were filed at a time deemed inappropriate by the courts, particularly where they were based on *in absentia* criminal judgments that had not yet become final. This resulted in the dismissal of these claims, despite the possibility of relying independently on general tort liability principles. This reflects a judicial tendency to link the effectiveness of civil claims to the completion of the criminal process.

In another case, the claim was dismissed on the basis of a prior final judgment concerning the same facts, in application of the principle of *res judicata* (the authority of a final judgment).

Iraqi Red Crescent Society, Embezzlement

The Society brought a civil action to recover IQD 646,040,700 on the basis of a criminal judgment delivered in absentia convicting a former director of embezzling that amount. Although the embezzlement had been established in criminal proceedings, the civil court dismissed the action because the judgment in absentia had not attained finality, relying on a legal provision linking finality of the criminal judgment to the availability of a civil claim.⁴⁴

Ministry of Finance, Unlawful Grant of an Investment Opportunity

The Ministry brought a civil action alleging financial harm arising from the grant of an investment opportunity in respect of a property contrary to a binding decision requiring its sale. The defendant had been convicted in absentia of abuse of office. The court nevertheless dismissed the action after determining that the Ministry's representative did not hold a valid power of attorney, rendering the action procedurally inadmissible despite the supporting criminal judgment.⁴⁵

- **Performance of Legal Representatives:** Acts and omissions by legal representatives of public institutions repeatedly contributed to the dismissal of claims. The principal procedural shortcomings included:
 - the absence of a valid or sufficient power of attorney authorising the representative to litigate on behalf of the institution;
 - failure to define the action by reference to a specific legal remedy or a specific defendant, creating uncertainty as to the subject matter of the claim;
 - claims for compensation for moral damage on behalf of legal persons, which are not legally permissible in this context;
 - the absence or insufficiency of essential documents substantiating the damage in a number of cases;
 - poor organisation of pleadings, deficiencies in legal drafting, and failure to establish a systematic link between the facts and the legal basis;
 - institution of proceedings without clear evidence of material financial damage.

These practices demonstrate that deficiencies in legal representation are a decisive factor in the dismissal of claims. They lead to repeated procedural failures that undermine the prospects of obtaining compensation despite the availability of a legal basis in many cases. The effectiveness of civil recovery therefore depends substantially on the quality of legal representation and its capacity to manage the action accurately and comprehensively.

- **Withdrawal and Settlement before Judgment:** In a number of cases, claimant entities withdrew civil actions after internal correspondence indicated that a settlement had been reached or that there was no desire to continue the proceedings. Based on the settlement confirmed by the claimant's entity, the case was dismissed upon the request of the claimant.

These practices directly affect the effectiveness of recovery, although their impact remains mixed and unclear. On the one hand, settlement may provide a faster and more efficient means of recovering funds, particularly in cases involving evidentiary or procedural complexity. On the other, the absence of institutional documentation and transparency concerning settlement outcomes limits the ability to assess

⁴⁴ Rusafa Court of First Instance, Case No. 2838/B/2021.

⁴⁵ Karkh Court of First Instance, Case No. 5659/B/2024.

their actual impact, restricts institutional learning, and may encourage their use as an alternative to addressing procedural litigation risks rather than as a means of strengthening financial accountability.

These examples demonstrate that the strength of the substantive basis alone is insufficient. Weak procedural readiness and poor-quality legal representation can prevent the conversion of a right into a judgment and a judgment into actual recovery. Conversely, the following cases illustrate how procedural preparedness, high-quality legal representation, and timely recovery measures can produce successful compensation outcomes.

Illustrative Examples of selected cases resulted in compensations:

Baghdad Chamber of Commerce

The Baghdad Chamber of Commerce brought a civil action against the director of its procurement committee for embezzling USD 184,700 through the use of receipts issued for the purchase of vehicles that were neither delivered nor refunded. The criminal court convicted the defendant in absentia in April 2024, confirming the Chamber's right to claim compensation. The court of first instance subsequently ordered the defendant to repay USD 184,700 together with IQD 500,000 in legal fees.⁴⁶

Ministry of Defence

The Ministry of Defence brought a civil action against a former officer for embezzling a Ministry-owned 9 mm Walther pistol. The defendant had been convicted in absentia by the Integrity Misdemeanour Court in Case No. 1703/C/2019 under Article 341 of the Penal Code, sentenced to one year's imprisonment, and the judgment became final and no longer subject to appeal in 2022. The Ministry's representative informed the court that the defendant remained at large and requested notification through publication in two local newspapers. Because the firearm had not been returned, the court of first instance relied on the final criminal judgment and ordered the defendant to pay IQD 1,102,200 in compensation and IQD 110,000 in legal fees.⁴⁷

3.3 Role of Experts in Assessing Damage

Courts ordinarily begin the assessment process by appointing a judicial expert to estimate the amount of financial damage in the case.⁴⁸ Where the initial expert's findings are challenged, the court may appoint a panel comprising an odd number of experts, either three or five, to reassess the amount. Although the involvement of several experts may lengthen proceedings, it generally produces more robust and reliable assessments of financial damage.⁴⁹

The courts appointed judicial experts to assess damage in only a limited number of cases. Expert reports appeared in 10 cases (two parties were present),⁵⁰ all of which concluded with full compensation in accordance with the claimant entity's demand. By contrast, fewer than half of the cases without expert evidence resulted in compensation, and the amounts awarded were often subject to broader judicial discretion.

This pattern indicates that judicial expertise strengthens the court's confidence: the existence of an independent technical assessment of damage increases the likelihood of full compensation. Recourse

⁴⁶ Rusafa Court of First Instance, Case No. 1591/B/2024.

⁴⁷ Rusafa Court of First Instance, Case No. 243/B/2025.

⁴⁸ Articles 125 and 126 of Civil Procedure Law No. 83 of 1969 and Article 126(2) of Evidence Law No. 107 of 1979.

⁴⁹ The cost of an expert is approximately USD 80 and is borne by the party requesting the appointment.

⁵⁰ Three monitored cases (455/B/2025, 1778/B/2025, and 3394/B/2025) and seven reviewed cases (1365/B/2023, 1503/B/2023, 3366/B/2023, 4788/B/2023, 3558/B/2023, 1501/B/2024, and 1634/B/2024).

to expertise nevertheless remains relatively limited, underscoring the need to expand the use of specialised expertise, particularly in financially complex cases, in order to improve the prospects of full recovery.

3.4 Role of the Public Prosecution

The monitoring findings indicate that the role of the Public Prosecution remains focused principally on initiating and following criminal proceedings, with limited intervention in support of the financial-recovery pathway. It seldom initiates requests for seizure and freezing measures as part of a prosecutorial strategy, coordinates with the legal departments of affected institutions concerning the institution of civil actions, or systematically examines the reasons for withdrawal or failure of such actions.

Although the legal framework does not expressly assign responsibility for managing civil recovery to the Public Prosecution, the analysis indicates that its role could be expanded in practical terms by:

- (a) promoting requests for early provisional measures on the basis of an assessment of financial risk;
- (b) drawing attention to the need to institute civil actions in cases involving clear financial harm;
- (c) monitoring patterns of dismissal or withdrawal and referring them to the competent authorities.

Activating this role would help strengthen the link between criminal accountability and financial recovery and reduce the gap between them. In the absence of clear institutional mechanisms for coordination among criminal and civil courts, the Public Prosecution, and legal departments in public institutions, the connection between conviction and recovery continues to depend on individual initiatives and inconsistent practice. The findings demonstrate an urgent need to develop more structured institutional mechanisms, including joint coordination units or committees and integrated information systems linking criminal and civil cases. Such mechanisms would ensure that financial recovery is incorporated as a systematic extension of criminal accountability rather than remaining an ad hoc measure dependent on individual practice.

3.5 Representation of Women in the System

Representation of Women in the System: The data indicate a clear predominance of men across the different litigation roles. Men constitute approximately 71 per cent of judges and 75 per cent of lawyers, while women are represented at lower levels, notwithstanding an increase in the proportion of female lawyers to approximately 38 per cent in the more complex cases. Defendants are also predominantly male, reflecting a wider gap in women's representation in positions involving the management of public funds.

The monitoring findings also show that continuity of legal representation, irrespective of gender, is a decisive factor in case outcomes. Changes in legal representatives or interruptions in follow-up were associated with increased procedural errors and dismissal of actions, whereas stable and competent representation improved case preparation and increased the prospects of obtaining compensation. These findings indicate that the quality and continuity of legal representation are essential to the effectiveness of the civil recovery pathway.

4. Conclusion: Criminal and Civil Pathways and Recovery Opportunities

4.1 Points of Connection between the Two Pathways: Criminal Judgments as a Basis for Civil Actions

Criminal judgments are an essential tool for strengthening the effectiveness of civil recovery. They provide a strong legal and factual foundation for civil claims by establishing the harmful act, identifying responsibility, and quantifying the financial damage or its minimum value. Where this connection is activated systematically, civil courts are better able to determine compensation efficiently because their role can focus on the amount of compensation and the means of enforcement without requiring the basic facts to be proved again.

The monitored practice indicates that the availability of a clear criminal judgment, combined with timely institution of the civil action and competent legal representation, is directly associated with a greater likelihood of recovering funds, even in complex or sensitive cases. The following examples demonstrate successful connection between the two pathways:

Baghdad Chamber of Commerce Case, USD 184,700

The director of the Chamber's procurement committee was convicted in absentia of embezzling USD 184,700 through the use of forged receipts for vehicles that were not delivered. The Chamber relied on that judgment to bring a civil action, and the court of first instance ordered the defendant to return the full amount embezzled together with IQD 500,000 in lawyers' fees.⁵¹

Ministry of Defence Case

The Integrity Misdemeanour Court convicted an officer of embezzling a Ministry-owned 9 mm Walther pistol in a judgment that attained finality. The Ministry brought a civil action for the value of the weapon, and the court awarded IQD 1,102,200 in compensation together with IQD 110,000 in lawyers' fees.⁵²

Iraqi Red Crescent Society Case, USD 4.5 Million

Before the Karkh Court of First Instance, the Iraqi Red Crescent Society brought a civil action against a former member of the Council of Representatives, who was former director the RC, seeking restitution of USD 4.5 million, a Saudi grant allocated for construction of a hospital. The Society relied on a judgment delivered in the defendant's presence by the Central Anti-Corruption Criminal Court convicting him of misappropriating the grant. The civil court ordered him to return the full amount together with costs and lawyers' fees.⁵³

4.2 Points of Disconnection between the Two Pathways

Despite the potential offered by criminal judgments, the analysis shows a clear disconnection between the criminal and civil pathways in practice. This is manifested in several recurring patterns:

(a) Absence or Failure of Civil Actions: A large proportion of cases in which criminal courts establish corruption and financial harm are not followed by civil actions, or civil actions are instituted without effective follow-up or withdrawn before judgment. Accountability consequently stops at conviction without producing actual recovery of public funds.

(b) Reliance on the "Await Finality" Approach: Some civil courts continue to refrain from determining compensation until the criminal judgment has attained finality, notwithstanding a legal framework and judicial precedents permitting independent determination of tortious liability. This approach

⁵¹ Rusafa Court of First Instance, Case No. 1591/B/2024.

⁵² Rusafa Court of First Instance, Case No. 243/B/2025.

⁵³ Monitored Case No. 8175/B/2025.

delays recovery and makes the rights of injured parties dependent on factors beyond their control, including the defendant's absconding or slow criminal proceedings, thereby revealing a gap between legal possibilities and judicial practice.

(c) Limited Provisional Measures and Their Effect on Enforcement: Limited use of seizure and freezing measures during the early stages of criminal proceedings undermines the effectiveness of civil actions. In the absence of early preservation of assets, many actions become claims that are difficult to enforce in practice because assets have been transferred, concealed, or dissipated before judgment.

5. Cross-Border Recovery and Integration of the Pathways

5.1 Trends in Cross-Border Asset Recovery (2012–2023)

Iraq's performance in cross-border asset recovery is shaped by its recent history. Following the invasion of Kuwait in 1990, United Nations Security Council resolutions resulted in the freezing of a portion of Iraqi assets abroad. Following the change of regime in 2003, additional arrangements were introduced to identify assets of the former regime and transfer them to the Development Fund for Iraq. Notwithstanding the progress achieved under those arrangements, estimates indicate that a significant volume of assets associated with that period remains untraced or unrecovered. In response, Iraq established the Iraq Fund for the Recovery of Assets under Law No. 9 of 2012 and assigned it and other entities powers to take legal and judicial action to recover funds transferred abroad.⁵⁴ Implementation has nevertheless remained constrained by overlapping operational, coordination, and legal factors, as well as the complexity of cross-border proceedings.

Available data for 2012–2023 reveal a substantial gap between the value of assets sought for recovery and the value actually recovered, both domestically and abroad. Although the aggregate value of assets covered by recovery and confiscation orders increased over time, the value actually recovered, particularly from abroad, remained comparatively limited, with certain indicators remaining almost unchanged over several years. Data on mutual legal assistance requests also demonstrate the scale of engagement with a range of States, including Kuwait, Jordan, Lebanon, the United Arab Emirates, the United Kingdom, the United States, Germany, and others. They nevertheless show that many requests remained pending or took extended periods without necessarily producing tangible asset-recovery outcomes.

Effect of Domestic Constraints on External Recovery

The findings indicate that challenges impeding domestic recovery are compounded in the cross-border context. These include:

- weak case documentation, particularly concerning the tracing of funds and assessment of damage;
- delays in the issuance of final judgments and limited institutional coordination;
- fragmented case-related databases.

When a case moves to the international level, these challenges become more complex because of differences between legal systems, evidentiary standards, limitation periods, banking secrecy, and complex financial structures. These factors directly affect Iraq's ability to activate the international

⁵⁴ [نصوص ومواد قانون صندوق-إسترداد-أموال-العراق.pdf](#) (Arabic version of the Law).

judicial cooperation mechanisms set out in Articles 54 and 55 of the United Nations Convention against Corruption, which require clear and complete judicial decisions to support requests for freezing, confiscation, and cross-border enforcement. Iraq's performance in recovering assets abroad cannot therefore be considered separately from the effectiveness of its domestic proceedings. The better documented domestic cases are in relation to the movement of funds and financial harm, the more clearly they are resolved by final judgments, and the more effectively they are supported by a civil pathway establishing a financial obligation to return funds, the stronger the files submitted to foreign authorities and the greater the prospect that requests for judicial cooperation and enforcement of Iraqi criminal or civil judgments will be accepted.

5.2 Enforceability of Iraqi Criminal Judgments Outside the Territory

The recovery of funds transferred outside Iraq is governed by the rules of international judicial cooperation. An Iraqi criminal judgment alone is insufficient, particularly where delivered in absentia. Criminal judgments do not have direct enforceability in other States and are recognised or enforced only within the frameworks established by the laws of those States and their bilateral or multilateral agreements with Iraq.

5.3 Role of Iraq Asset Recovery Fund and International Obligations

Iraq Fund Recovery Law No. 9 of 2012, together with Chapter V of the United Nations Convention against Corruption, forms the legal framework governing international recovery. The Law:

- established specialised institutional frameworks for recovering funds transferred abroad;
- authorised the competent entities to bring civil and criminal proceedings within and outside Iraq;
- permitted cooperation with foreign lawyers and law firms and the use of remedies available in other judicial systems to recover funds.

The effectiveness of these tools nevertheless depends on the capacity of the national judicial system to produce decisions capable of being used internationally in accordance with Chapter V of the United Nations Convention against Corruption, including Articles 31, 53, 54, 55, and 57. Chapter V recognises asset recovery as a fundamental principle of international cooperation against corruption, encourages the use of different judicial mechanisms, including civil actions, confiscation orders, and judgments, and permits injured States to participate as civil parties in proceedings or bring independent actions to claim their funds.

5.4 Role of the Civil Pathway in External Recovery

In many legal systems, foreign civil judgments are more readily recognised and enforced than criminal judgments, particularly judgments delivered in absentia. This is consistent with Article 53 of the Convention, which encourages States to enable the use of civil proceedings as a direct means of recovering assets.

The importance of combining the following therefore becomes clear:

- a criminal judgment establishing the offence, its circumstances, and its connection with the assets sought for recovery;
- a civil judgment establishing a specific financial obligation to return the funds or provide compensation.

In such circumstances, the criminal judgment may be used before foreign authorities to establish the material elements of corruption, while the civil judgment may serve as an enforceable instrument for claiming the funds in accordance with the rules governing recognition of foreign civil judgments.

Where criminal judgments cannot be enforced, particularly because a defendant has absconded, the civil pathway becomes a critical tool for strengthening recovery prospects in accordance with Articles 53 and 57 of the Convention. The analysis indicates that the effectiveness of cross-border recovery depends directly on:

- the quality of case documentation;
- the clarity and finality of judicial judgments;
- the availability of enforceable civil judgments.

Weakness in the civil pathway therefore affects not only domestic recovery, but also undermines Iraq's capacity to activate international cooperation mechanisms and recover assets from abroad to the required extent, notwithstanding the existence of an integrated international legal framework.

6. Conclusion: Quantitative and Qualitative Analysis of Recovery Pathways

The analysis shows that Iraq possesses, at the level of its legal framework, a comprehensive system that is largely aligned with the United Nations Convention against Corruption (UNCAC). National legislations provide for the use of seizure and confiscation measures within the criminal track, enables the activation of an independent civil track for asset recovery, and establishes legal mechanisms for international cooperation and cross-border asset recovery.

However, the results of systematic judicial monitoring indicate that the main challenges do not lie in the legal provisions themselves, but in their practical application. The review of 482 major corruption cases within the criminal track and 60 civil claims demonstrates that actual practice remains below the level of potential offered by the legal framework. The key challenges include:

- Limited and inconsistent use of early asset freezing measures, allowing assets to be dissipated prior to the enforcement stage;
- A significant gap between the establishment of harm in criminal cases and the number of civil claims filed and successfully pursued;
- The predominance of procedural errors and formal deficiencies in civil cases, despite the existence of solid legal bases and established facts;
- The incomplete activation of the independence of the civil track from the criminal track, and continued reliance in some courts on the approach of "waiting for final criminal judgment";
- Limited integration between the two tracks, weakening the cumulative effect of conviction and compensation and constraining recovery effectiveness, particularly in cross-border cases;
- The absence of an integrated institutional design for the recovery chain, including clear allocation of roles, information-sharing mechanisms, and effective tracking of assets from detection through to enforcement.

These findings indicate that the gap between criminal accountability and asset recovery is not incidental, but rather reflects a systemic pattern within the current framework. While convictions are recorded and judgments are issued, the recovery of public funds remains neither systematic nor

guaranteed, and continues to depend to a large extent on variable factors such as the quality of legal representation or the timing of procedural steps.

From a justice impact perspective, the results demonstrate that the effectiveness of the anti-corruption system cannot be measured by the number of convictions alone, but by its ability to translate those convictions into actual asset recovery and tangible compensation for harm. The absence of such a transformation leaves justice incomplete and limits the deterrent effect of the system.

Accordingly, enhancing the effectiveness of asset recovery requires a shift from a model based on fragmented procedures to an integrated operational framework that links criminal, civil, and international recovery pathways. Under such a framework, asset recovery would become:

- a systematic outcome grounded in clear and consistent procedures;
- rather than an exceptional outcome achieved under limited circumstances.

This evidence-based diagnosis, grounded in direct observation of judicial practice, provides the foundation for Part V of the report, which translates these findings into practical recommendations aimed at restructuring the asset recovery process as a central pillar of justice reform and anti-corruption efforts. Ultimately, the effectiveness of the system should be measured not by the number of judgments issued, but by the actual funds successfully recovered.

Part Four – Draft Law on the Recovery of Proceeds of Corruption⁵⁵

Empirical Analysis in Light of the United Nations Convention against Corruption and Trial Monitoring Findings

The Draft Law on the Recovery of Proceeds of Corruption represents an important initiative to strengthen Iraq's legal and institutional framework for asset recovery in line with its obligations under the United Nations Convention against Corruption (UNCAC). Originally submitted in 2021 by the then President Barham Salih and currently under review by the Parliament, the draft proposes a structured framework to address asset recovery challenges both domestically and internationally.

This assessment is based on findings from the trial monitoring program and technical observations of the United Nations Development Programme, focusing on measurability, operational feasibility, procedural clarity, institutional coherence, alignment with international standards, and practical implementation considerations, with particular emphasis on the gap between the legal framework and its practical application.

This assessment complements ongoing legislative advisory work by translating technical drafting observations into operational considerations grounded in empirical evidence. The findings demonstrate that the main challenge does not lie in the absence of a legal basis for recovery, but rather in the limited clarity and integration of its operational mechanisms, resulting in a persistent gap between legal potential and actual outcomes.⁵⁶

⁵⁵ Asset Recovery Draft Law – Supreme Judicial Council

⁵⁶The Anti-Corruption and Commercial Arbitration Initiatives project provided technical support for the review of the draft law and engaged a United Nations expert specialising in asset recovery. This Part draws on the expert's proposals and recommendations presented at the Workshop to Review the Draft Law on the Recovery of Proceeds of Corruption, attended

1. The Draft Law: Structure and Content

The draft law consists of six chapters, each addressing a specific aspect of asset recovery:

Chapter I – Definitions

This chapter addresses core concepts such as “proceeds of corruption” and “illicit gain”. Further alignment with UNCAC terminology would enhance consistency in interpretation both domestically and internationally.

Chapter II – Recovery of Proceeds of Corruption within Iraq

This chapter sets out domestic procedures relating to seizure, confiscation, and civil claims. Trial monitoring results indicate overlapping roles between investigative judges and courts, resulting in inconsistent application and procedural ambiguity in the allocation of responsibilities. The absence of a clear procedural sequence linking investigation, criminal adjudication, and civil recovery constitutes a major operational weakness affecting recovery outcomes.

Chapter III – Cooperation with Judicial, Investigative, and Oversight Authorities

The chapter assigns a central role to the Commission of Integrity in recovery efforts. However, operational guidance on leadership roles, coordination mechanisms, and the transfer of responsibilities between institutions remains limited. The lack of clarity regarding when and how responsibilities move between institutions may constrain consistent implementation and weaken institutional accountability.

Chapter IV – Recovery of Proceeds Transferred Outside Iraq

This chapter addresses the recovery of assets abroad but lacks sufficient procedural detail to enable consistent and measurable implementation. In particular, it does not establish standardized approaches for preparing mutual legal assistance requests, documenting financial evidence, or using civil judgments as enforceable tools in foreign jurisdictions.

Chapter V – International Legal Assistance

This chapter contains general procedural rules. Ensuring its alignment with existing national legislation is essential, as is the inclusion of binding requirements to issue detailed implementing regulations within a defined timeframe, in order to ensure operational effectiveness.

Chapter VI – Final Provisions

This chapter contains general rules governing procedures and implementation. It is essential to ensure its consistency with existing national legislation in order to preserve legal coherence and support alignment with Iraq’s obligations under the United Nations Convention against Corruption. The inclusion of mandatory implementing regulations within a defined timeframe would strengthen operational effectiveness.

2. Alignment with the UNCAC and Trial Monitoring Findings

The draft law treats asset recovery as an independent function encompassing civil claims, administrative measures, and criminal confiscation, consistent with UNCAC Articles 31, 53, and 54.

However, despite the existence of these mechanisms, monitoring results show that practical challenges—particularly in coordination, evidentiary practices, and institutional follow-up—continue to prevent the effective translation of legal provisions into measurable asset recovery outcomes.

Although Iraqi legislation already provides for domestic recovery mechanisms such as seizure, confiscation, and civil compensation, the main barriers to recovery lie in operational gaps rather than legal deficiencies.

A key limitation is that the draft law does not establish a clear and integrated operational framework ensuring a systematic transition from criminal proceedings outcomes to the activation of civil claims and effective asset recovery.

Cross-Border Recovery

Provisions relating to cross-border recovery represent one of the most significant potential contributions of the draft law. However, monitoring results indicate that tangible outcomes in relation to assets held abroad remain limited. This reflects gaps in procedural clarity, institutional roles, and coordination among relevant authorities.

While the broader legal framework may allow for non-conviction-based confiscation, the draft law does not sufficiently define evidentiary standards, judicial oversight mechanisms, or safeguards for bona fide third parties, all of which are essential to ensure legal certainty and effective international cooperation.

In Absentia Judgments

In practice, in absentia judgments remain challengeable upon the appearance of the defendant, which affects their finality and enforceability. This has significant implications for both domestic civil claims and cross-border asset recovery, as foreign authorities often rely on final and enforceable judicial decisions when processing requests for mutual legal assistance or recognizing confiscation orders.

As a result, delays in resolving in absentia cases reduce the evidentiary value of such judgments and hinder timely recovery efforts at both domestic and international levels.

Asset Management and AML Integration

The management of seized assets and preventive integration represent areas requiring further development. Monitoring findings indicate that arrangements for temporary control, valuation, and disposal of assets remain fragmented.

Moreover, the draft law does not systematically integrate asset recovery processes with anti-money laundering frameworks, financial intelligence systems, and politically exposed persons (PEP) monitoring mechanisms. This limits the ability to trace assets effectively, strengthens evidentiary gaps, and reduces overall recovery performance.

3. Institutional Roles and Operational Considerations

Implementation of the draft law requires coordination among multiple institutions, including the Integrity Commission, Public Prosecution, judiciary, Ministry of Justice, Ministry of Foreign Affairs, and Financial Intelligence Unit.

Monitoring results indicate that the main challenge does not lie in the multiplicity of actors, but rather in the absence of a clearly defined operational model that determines how and when responsibilities are transferred between them.

In particular, the absence of a structured procedural sequence for asset recovery cases limits coordination, accountability, and effectiveness.

The draft law also does not sufficiently address the quality and continuity of legal representation, despite evidence showing that these factors significantly affect the success or failure of civil recovery cases.

4. Judicial Experts in Civil Cases

Consideration may be given to strengthening the provisions governing the use of judicial experts. Existing legislation regulates the appointment of experts where specialized technical knowledge is required. However, practical experience indicates that reliance on experts is often applied in ways that lead to prolonged proceedings, increased costs, and a reduced direct analytical role of judges in complex financial cases.

To enhance efficiency and procedural effectiveness, the draft law may take into account the following:

- Clarifying the minimum criteria for appointing judicial experts, ensuring their use is targeted and proportionate;
- Establishing clear and binding timeframes for the submission of expert reports;
- Providing guidance on the appointment of expert panels, their composition, and coordination mechanisms;
- Strengthening judicial oversight over expert findings, particularly in high-value asset recovery cases and cases involving in absentia judgments.

5. Evaluability, Transparency, and Cross-Border Recovery

From an evaluability perspective, the analysis of cross-border asset recovery faces constraints related to limited access to data. The draft law also does not explicitly provide for the establishment of centralized information systems or systematic case-tracking mechanisms, despite the fact that these are essential prerequisites for performance evaluation and ensuring institutional accountability.

Key requirements in this area include:

- establishing clear procedures for international cooperation;
- aligning practices with the requirements of the Convention;
- integrating asset recovery with preventive systems, such as anti-money laundering frameworks.

These elements are critical not only for the effectiveness of implementation, but also for demonstrating measurable results to international partners.

6. Concluding Observations

The draft law represents an important reform step toward strengthening Iraq's asset recovery framework and aligning it with the United Nations Convention against Corruption (UNCAC). However, its success will depend not only on the breadth of its legal scope, but also on the clarity and coherence of its implementation mechanisms in practice.

The evidence indicates that operational challenges—including procedural ambiguity, fragmentation of institutional roles, weak integration between the criminal and civil tracks, and limited coordination in cross-border cases—may constrain the achievement of tangible and measurable recovery results unless they are explicitly addressed.

This analysis confirms that the draft law does not constitute a solution in itself, but rather an enabling framework whose effectiveness depends on how it is operationalised within an integrated institutional system, supported by clear procedural guidance, coordination mechanisms, and effective information systems. It is also important that the draft law clearly reflects the legislative direction emphasized during parliamentary discussions, namely the need to address asset recovery pathways in an integrated manner—both domestically and across borders—in order to ensure consistency with the State's priorities in protecting public funds and enhancing the effectiveness of international cooperation.

Accordingly, translating legal powers into actual recovery of public assets requires linking legislative reform with comprehensive institutional and operational reforms. This forms the basis for the recommendations set out in Part V, which aim to ensure that asset recovery becomes a predictable and inherent outcome of accountability in corruption cases, rather than a contingent result dependent on the circumstances of each case.

Part Five – Key Findings and Recommendations

1. Key Findings

Building on the analysis of legal and institutional frameworks in Iraq (Part II), the findings of the trial monitoring program on criminal and civil proceedings (Part III), and the assessment of the Draft Law on the Recovery of Proceeds of Corruption (Part IV), this section presents a strategic and operational set of recommendations aimed at strengthening asset recovery both domestically and across borders

This section seeks to translate evidence-based findings into practical measures that support:

- the recovery of public funds;
- the strengthening of institutional capacities;
- and alignment with Iraq's obligations under the United Nations Convention against Corruption (UNCAC).

The trial monitoring results demonstrate that, despite the existence of an advanced legal and institutional framework, asset recovery outcomes remain limited in practice due to:

- procedural delays;
- weak institutional coordination;
- inconsistent use of civil litigation;

- and persistent challenges in cross-border recovery.

While the Draft Law on the Recovery of Proceeds of Corruption represents a significant reform initiative and is recommended for adoption, its effectiveness will depend on the clarity, coherence, and operationalization of its implementation mechanisms.

The recommendations are structured under three interrelated pillars:

- **Legal and Regulatory Enhancements**

Strengthen legislation and procedural rules to support civil proceedings, non-conviction-based confiscation, and practices consistent with the United Nations Convention against Corruption.

- **Institutional Strengthening and Operational Capacity**

Develop the capacities of key entities and strengthen coordination and accountability among them, including the Federal Commission of Integrity, the Judiciary, the Public Prosecution Office, the Ministry of Justice, and the Financial Intelligence Unit.

- **Procedural Effectiveness and Cross-Border Recovery**

Establish standardised practices concerning civil proceedings, asset seizure, documentation, and international cooperation in order to improve recovery outcomes within Iraq and abroad.

Additionally, a cross-cutting principle relating to gender inclusion is integrated throughout the recommendations.

2. Recommendations

1. Institutionalise the Follow-up of Civil Proceedings

Monitoring data reveal a systemic gap in pursuing civil claims following criminal convictions, even in high-value cases, thereby limiting the financial impact of accountability.

To address these issues, ministries and public bodies should:

Recommendations:

- Establish specialized legal units within ministries and public institutions to track criminal judgments and initiate civil recovery claims;
- Introduce internal protocols ensuring automatic and systematic review of civil recovery potential following criminal convictions;
- Develop standardized templates for civil compensation claims;
- Introduce accountability mechanisms through periodic reporting to senior management on recovery outcomes and pending cases.

Responsible entities: Ministries and public institutions, under the oversight of the Commission of Integrity

Legal basis: General tort liability principles (Civil Code); UNCAC Articles 31 and 53

Rationale: Ensuring the systematic transition from criminal accountability to tangible financial recover

2. Strengthen Asset Seizure and Preservation

Early identification and preservation of assets remain limited despite their critical role in preventing dissipation.

Recommendations:

- Strengthen mechanisms for early identification and tracing of assets domestically and abroad;
- Introduce systematic (and where appropriate mandatory) use of early freezing measures in high-value corruption cases;
- Adopt standardized procedures for asset freezing and record-keeping;
- Integrate asset tracing with AML/CFT systems and financial intelligence processes.

Responsible entities: Judiciary, Integrity Commission, Public Prosecution, Financial Intelligence Unit

Legal basis: Criminal Procedure Law (Arts. 93–98); AML Law; UNCAC Arts. 31 and 54

Rationale: Preventing asset dissipation and improving enforceability of recovery measures

3. Strengthen Legal Capacity and Representation

Civil claims are often weakened by procedural deficiencies and inconsistent legal representation.

Recommendations:

- Establish stable, specialized legal teams within public institutions;
- Provide targeted training on asset recovery litigation;
- Ensure continuity of legal representation throughout proceedings;
- Integrate gender-balanced participation within legal teams to enhance diversity and decision-making quality.

Responsible entities: Ministries and public institutions

Legal basis: Civil Procedure Law; UNCAC Articles 53(a) and 60

Rationale: Improving procedural quality and increasing likelihood of successful recovery

4. Strengthen the Role of the Public Prosecution

Uneven participation of the Public Prosecution limits its effectiveness in supporting financial recovery.

Recommendations:

- Clarify and strengthen the mandate of the Public Prosecution in civil recovery cases;
- Prioritize monitoring of high-value loss cases;
- Strengthen oversight and accountability mechanisms.

Responsible entities: Public Prosecution Office, in coordination with the Commission of Integrity

Legal basis: Criminal Procedure Law; UNCAC Articles 31 and 53

Rationale: Enhancing enforcement and follow-up of financial claims

5. Strengthening Linkages between Criminal and Civil Proceedings

A structural gap exists between criminal outcomes and civil recovery actions.

Recommendations:

- Establish a clear and binding procedural framework governing the relationship between criminal and civil proceedings;
- Create institutional mechanisms for information sharing between criminal courts, civil courts, and relevant entities;

- Introduce clear legal or procedural guidance on the timing of civil claims to avoid unnecessary delays;
- Define rules for using criminal judgments—including in absentia judgments—while safeguarding due process rights.

Responsible entities: Judiciary, Ministry of Justice, Commission of Integrity

Legal basis: Criminal Procedure Law; UNCAC Arts. 31, 53, and 57

Rationale: Ensuring a structured transition from conviction to enforceable financial recovery

6. Developing a Centralized Case Tracking System

Fragmented data systems hinder monitoring and coordination.

Recommendations:

- Establish a national integrated asset recovery information system linking criminal cases, civil claims, and asset status;
- Ensure accessibility of data for institutional coordination and monitoring;
- Incorporate analytical and reporting tools to support strategic decision-making.

Responsible entities: Integrity Commission, Board of Supreme Audit, Ministry of Justice

Legal basis: Commission of Integrity Law; UNCAC Arts. 31 and 58

Rationale: Enabling data-driven recovery and accountability

7. Strengthening Asset Declaration and Preventive Measures

Asset declaration systems are underutilized as tools for early detection.

Recommendations:

- Enhance verification capacity through dedicated resources and trained staff;
- Link asset declaration data with investigations and civil proceedings;
- Introduce cross-checking mechanisms with tax, banking, and property registries.

Responsible entities: Integrity Commission, Judiciary, Ministry of Justice

Legal basis: Commission of Integrity Law; UNCAC Arts. 20, 31, and 52

Rationale: Early detection and strengthening evidentiary basis for recovery

8. Improving the Use of Judicial Experts

While legally available, expert use often causes delays.

Recommendations:

- Introduce mandatory timeframes for expert reports;
- Standardize procedures for appointing experts and panels;
- Promote early-stage expert involvement in high-value cases to reduce delays;
- Strengthen judicial oversight of expert findings.

Responsible entities: Judiciary.

Legal basis: Civil Procedure Law; UNCAC Arts. 31 and 53

Rationale: Enhancing efficiency and evidentiary quality

9. Strengthening Cross-Border Asset Recovery

Recovery from abroad remains limited despite existing frameworks.

Recommendations:

- Establish a multi-disciplinary asset recovery unit (legal, financial, investigative expertise) as a central coordination point;
- Standardize procedures for mutual legal assistance (MLA), including templates and guidelines;
- Strengthen preparation of financial evidence in line with international standards; Enhance proactive engagement with international cooperation networks and publish periodic recovery reports;
- Develop specialized training in forensic accounting and asset tracing.

Responsible entities: Integrity Commission, Public Prosecution, Ministry of Justice, Ministry of Foreign Affairs, FIU

Legal basis: UNCAC Arts. 31, 54, 57, 58

Rationale: Improving effectiveness of international asset recovery

10. Cross-Cutting Recommendation: Integrating Gender Equality in Asset Recovery Systems

Evidence indicates persistent gaps in women's representation across the asset recovery system.

Recommendations:

- Integrate gender-sensitive approaches into capacity-building programs;
- Promote women's participation in legal, investigative, and judicial roles;
- Introduce gender-disaggregated indicators in monitoring systems;

Develop targeted empowerment programs for women in asset recovery fields.

Responsible entities: Ministry of Justice, Judiciary, Commission of Integrity

Legal basis: Iraqi Constitution (Article 14); UNCAC Articles 13 and 60

Rationale: Enhancing institutional performance, diversity, and decision-making quality

3. Conclusion

The findings confirm that criminal accountability alone is insufficient to ensure effective recovery of public funds derived from corruption. While Iraq's legal framework is broadly aligned with UNCAC, practical outcomes remain constrained by operational, institutional, and procedural gaps. These gaps include limited use of asset preservation measures, weak follow-up of civil claims, fragmented coordination, and ongoing challenges in cross-border recovery. As a result, convictions often fail to translate into actual financial recovery, weakening both deterrence and the overall effectiveness of the justice system.

The Draft Law represents a critical reform opportunity, but its success will depend on the establishment of *clear operational frameworks, institutional coordination mechanisms, and data-driven implementation systems.*

Ultimately, the report demonstrates that the key challenge is no longer developing legal provisions, but redesigning how the asset recovery system operates, so that recovery becomes: *"systematic and predictable; institutionally coordinated; data-driven and measurable; and an inherent outcome of accountability, rather than an exceptional result."*

ANNEX I: Obligations and Implementation Matrix: Comparison between the United Nations Convention against Corruption and Iraqi Legislation on Domestic and External Recovery

United Nations Convention against Corruption	Obligation under the Convention	Relevant Legal Provisions	Findings from Civil Proceedings	Reform Implications (Domestic and External Recovery)
Article 31 (Freezing, Seizure, and Confiscation)	States parties must enable the identification, freezing, and seizure, and confiscation of proceeds of corruption, including assets that have been converted or transformed.	Articles 93–98 of the Code of Criminal Procedure; articles 316 and 340 of the Penal Code; article 44 of the Anti-Money Laundering and Counter-Terrorist Financing Law	Asset seizure was limited and declined over time, from 11 per cent at the investigation stage in 2022–2023 to 5 per cent in 2023–2024.	Strengthen early asset identification and seizure to preserve value for domestic civil recovery and ensure traceability for cross-border recovery. Improve asset documentation and tracing to support judicial cooperation and follow-up.
Article 53(a) (Civil Proceedings)	States parties must permit persons or entities that have suffered damage to initiate civil proceedings to establish title to or ownership of property and claim compensation.	Article 207 of the Civil Code; articles 9–10 of the Code of Criminal Procedure	Civil proceedings were not followed up systematically even after criminal convictions, including in high-value cases involving public institutions.	Consider institutional mechanisms to regulate the initiation of civil proceedings after conviction, including clear procedural triggers and designation of the entity responsible for initiating and following up the claim. Strengthen monitoring of civil case outcomes to improve accountability and performance tracking.
Article 53(c) (Recognition of Foreign Confiscation Orders)	States parties must permit confiscation and recovery through	Articles 93–98 of the Code of Criminal Procedure; article 44 of the Anti-	None of the monitored cases resulted in the actual recovery of assets located abroad, despite the facts	Develop structured protocols for documenting civil claims and confiscation orders in support of mutual legal assistance requests. Improve access to data and case tracking to strengthen evaluability

United Nations Convention against Corruption	Obligation under the Convention	Relevant Legal Provisions	Findings from Civil Proceedings	Reform Implications (Domestic and External Recovery)
	judicial cooperation.	Money Laundering and Counter-Terrorist Financing Law	having been established through domestic criminal proceedings. Access to data on external recovery cases also remained limited.	and facilitate international cooperation.
Article 54 (Mechanisms for Recovery of Property through International Cooperation in Confiscation)	States parties must enable confiscation without unjustified procedural obstacles.	Articles 93–98 of the Code of Criminal Procedure; articles 316 and 340 of the Penal Code	Procedural delays, unresolved proceedings in absentia, and non-final judgments limited the effectiveness of confiscation and subsequent civil recovery.	Clarify the procedural sequence between criminal proceedings and civil enforcement to reduce delay and uncertainty. Strengthen mechanisms to ensure that judgments are enforceable, including in cases involving absent defendants and cross-border assets.
Article 57 (Return and Disposal of Assets)	Recovered assets should be returned to the requesting State or to those who suffered damage.	Article 207 of the Civil Code; article 19 of the Federal Commission of Integrity Law	Even where compensation was awarded, enforcement of restitution remained inconsistent. Systematic tracking of asset-return outcomes was also limited.	Strengthen enforcement-monitoring systems to track restitution and asset-return outcomes. Establish reporting mechanisms covering domestic and cross-border recovery results to support accountability and institutional learning.
Article 11 (Integrity of the Judiciary)	States parties must strengthen the integrity and capacity of the judiciary.	Judicial Organisation Law No. 160 of 1979	Courts generally applied the legal provisions consistently, but procedural shortcomings, such as excessive reliance on experts and delays in proceedings	Improve procedural efficiency while preserving judicial independence. Strengthen case-management practices to reduce delays affecting civil recovery and restitution.

United Nations Convention against Corruption	Obligation under the Convention	Relevant Legal Provisions	Findings from Civil Proceedings	Reform Implications (Domestic and External Recovery)
			in absentia, affected recovery timeframes.	
Article 36 (Specialised Authorities)	States parties must ensure the existence of specialised anti-corruption bodies.	Federal Commission of Integrity Law No. 30 of 2011; jurisdiction of the Central Anti-Corruption Criminal Court	Specialisation exists at the level of criminal investigations, but corresponding institutional specialisation in civil recovery remains limited.	Consider establishing specialised civil recovery functions or focal points, including for the management of compensation claims and recovery follow-up, to complement existing criminal structures.
Article 58 (Financial Intelligence and Information Exchange)	States parties must strengthen information exchange among competent authorities.	Article 3 of the Federal Commission of Integrity Law; Federal Board of Supreme Audit Law No. 31 of 2011	The absence of an accessible central database limited case tracking, consolidation, and follow-up across institutions.	Develop an integrated system for tracking criminal and civil cases and asset recovery, enabling data consolidation, controlled access, and stronger evaluability. The system should support domestic monitoring and potential coordination on external recovery.
Article 60 (Training and Technical Assistance)	States parties must strengthen the training of relevant officials.	Judicial Institute regulations; legal training frameworks	Dismissed claims and procedural variations indicate gaps in legal drafting, representation, and procedure.	Expand specialised training for prosecutors, judges, and institutional legal representatives, with a focus on civil recovery procedures, evidentiary standards, and international cooperation requirements.
Article 13 (Participation of Society)	States parties must promote inclusive participation and transparency.	Article 14 of the Constitution of Iraq	Participation patterns improved at advanced procedural stages, but overall inclusion remained uneven.	Strengthen inclusive and gender-responsive institutional practices in support of transparency, legitimacy, and consistency with the Convention's participation principles.

Concluding Note

This alignment indicates that the principal challenge facing asset recovery in Iraq is not the absence of a legal framework, but its limited practical implementation as a result of gaps in institutional coordination, follow-up mechanisms, and information management. Although national legislation provides a basis aligned with the United Nations Convention against Corruption in the areas of confiscation, civil compensation, and international cooperation, the absence of integrated systems for case tracking and data exchange, together with weak linkages between the criminal and civil pathways, constrains measurable recovery outcomes.

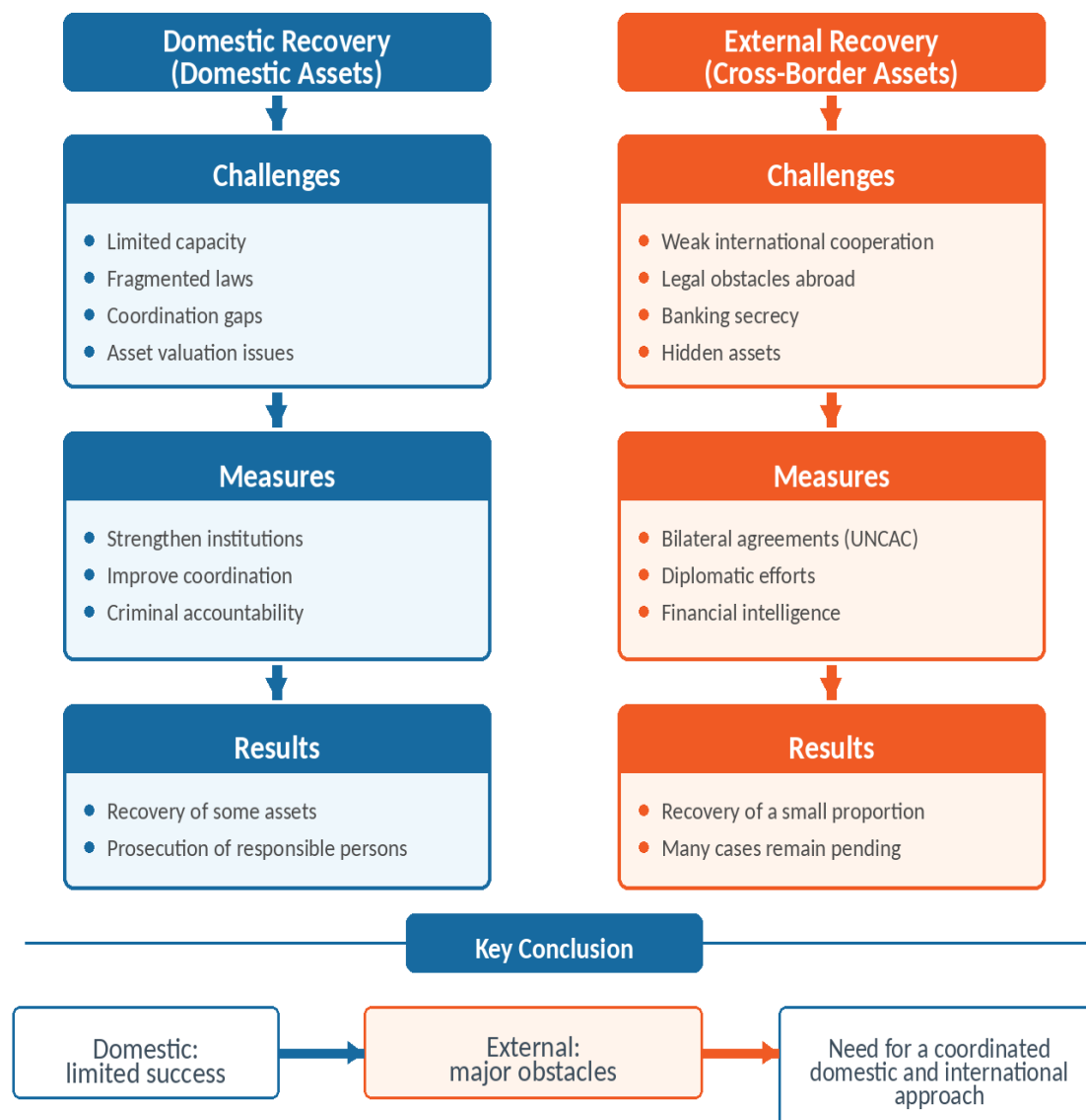
Moving from formal to effective compliance therefore requires stronger institutional integration, unified information systems, and data-driven operating practices capable of ensuring the effective and sustainable recovery of assets within Iraq and across borders, while bringing practical implementation into closer alignment with the requirements of the Convention.

ANNEX II – Figure (1) – Operational Flow of Asset Recovery Processes

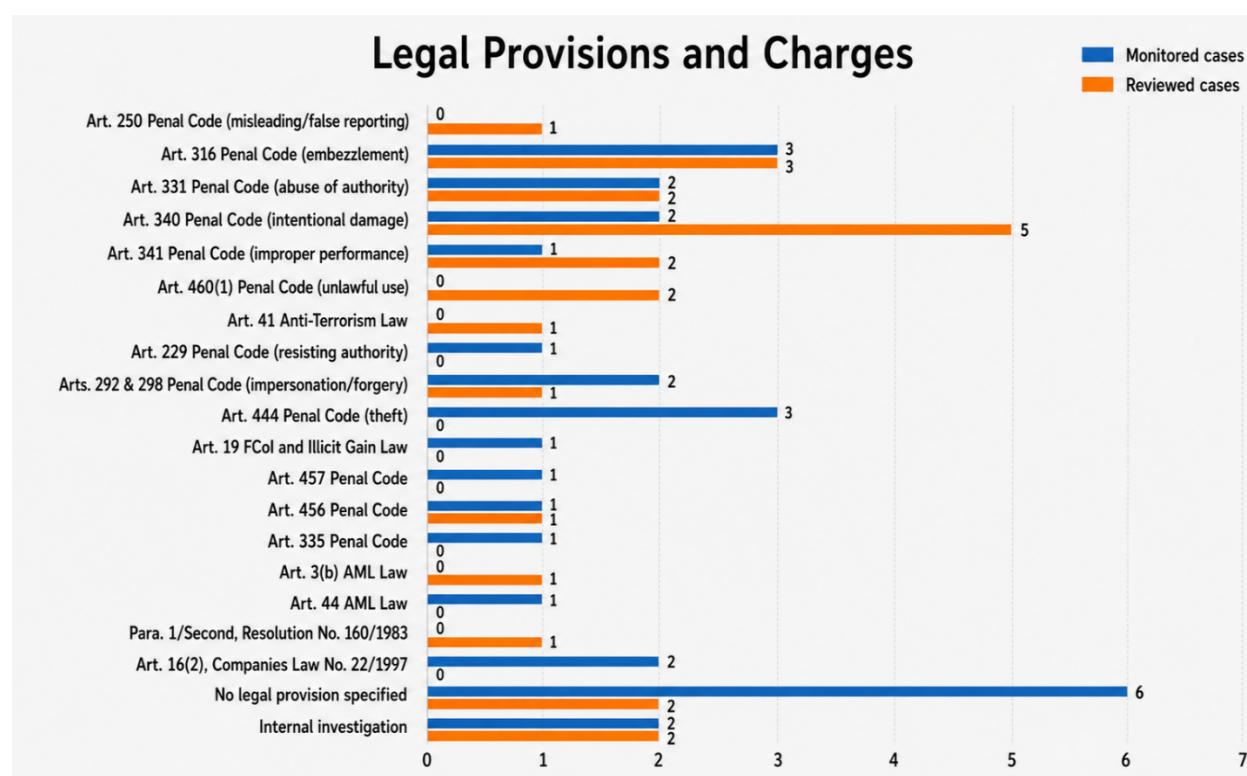
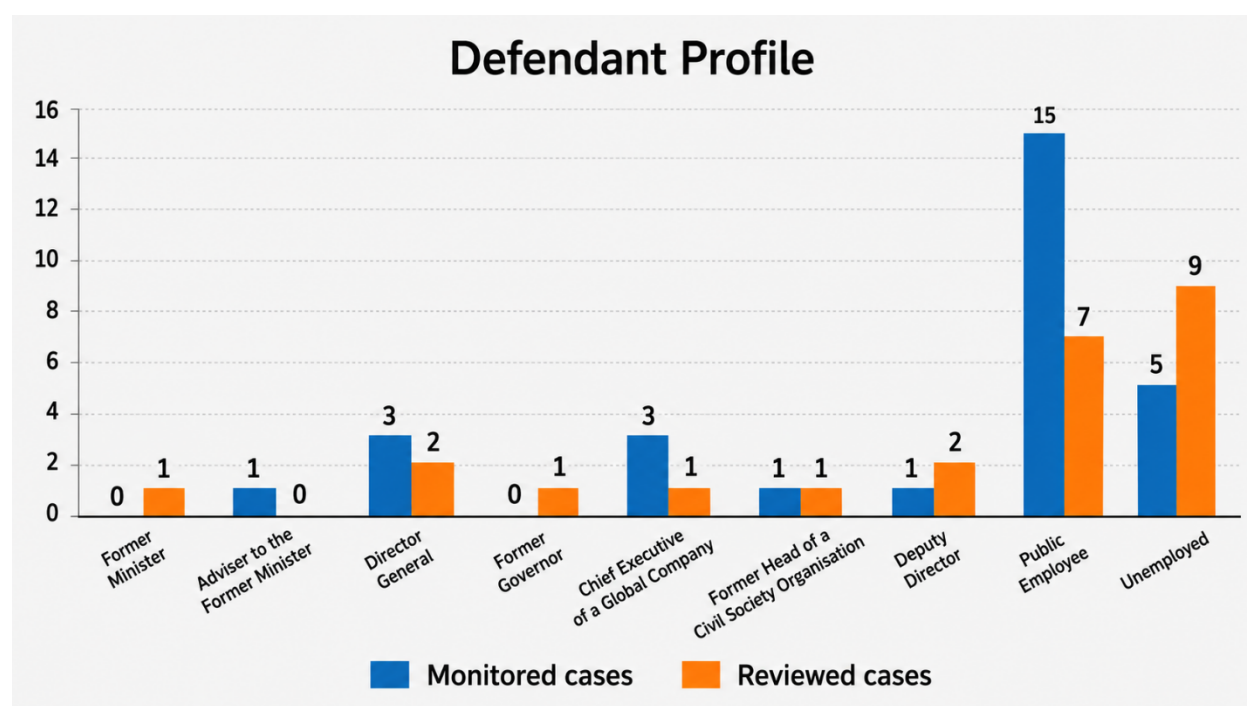


Table (2) – Procedural Stages and Institutional Roles in Compensation and Asset Recovery

Recovery of Proceeds of Corruption – Domestic vs Cross-Border



Figures (3) – Quantitative Analysis Findings





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