

REPUBLIC OF IRAQ

CENTRAL BANK OF IRAQ

LAWS, REGULATIONS  
AND ORDINANCES

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## NOTE

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Reference has been made to such amendments by footnotes with  
the exception of Regulation for Service in the Central Bank of  
Iraq No. 50 of 1956 and Regulation No. 29 of 1961 — Second  
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Iraq No. 50 of 1956 whose original texts are printed separately.*



CENTRAL BANK OF IRAQ

**ESTABLISHMENT OF THE  
CENTRAL BANK OF IRAQ**

Central Bank of Iraq Law No. 72 of 1956 and Amendments.

Internal Regulation of the Board of Administration of the Central Bank of Iraq No. 46 of 1956 and Amendments.

Regulation for Service in the Central Bank of Iraq No. 50 of 1956.

Regulation No. 29 of 1961 — Second Amendment to Regulation for Service in the Central Bank of Iraq No. 50 of 1956.

Instructions for Service in the Central Bank of Iraq No. 1 of 1957.

Instructions for Service in the Central Bank of Iraq No. 2 of 1957.

Instructions for Service in the Central Bank of Iraq No. 4 of 1957.

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**CENTRAL BANK OF IRAQ LAW NO. 72 OF 1956**

We, Faisal the Second, King of Iraq

Pursuant to Article 26 (1) of the Constitutional Law and with the approval of Parliament, have assented the following Law and order its publication:—

**ARTICLE 1**

The head office of the Central Bank of Iraq shall be in Baghdad. The Bank may have branches in Iraq and agencies and correspondents in Iraq and abroad.

**ARTICLE 2**

- (a) The authorised capital of the Bank shall be fifteen million Iraqi Dinars.
- (b) The part of the authorised capital not paid-up by the Government shall be deemed to be guaranteed by the Iraqi Treasury until the authorised capital becomes fully paid-up.

**ARTICLE 3**

- (a) At the end of the Bank's financial year, after allowing for the expenses of operation and after provision has been made for bad and doubtful debts, depreciation in assets, contributions to staff and superannuation funds and such other contingencies as are usually provided for by banks, 50 per cent of the net profits of the Bank shall be paid to the Government up to one million Dinars and the remaining net profits shall be allocated to increase the paid-up capital until the authorised capital becomes fully paid-up.
- (b) When the authorised capital becomes fully paid-up, 50 per cent of the net profits of the Bank shall be paid to the Government up to one million Dinars and the remaining net profits shall be credited to a Reserve Account until such time as the Reserve Account reaches five million Dinars.
- (c) When the Reserve Account reaches five million Dinars, 10% of the net profits shall be credited to the Reserve Account until such time as the Reserve Account equals twice the

authorised capital and the remaining net profits shall be paid to the Government.

- (d) When the Reserve Account is equal to twice the authorised capital, the whole of the net profits shall be paid to the Government.

#### ARTICLE 4

The objects of the Bank shall be to manage the currency and ensure its stability, to influence the credit situation to the country's advantage, to act as banker to the Government and to facilitate internal and external payments. In order to attain these objects, the Bank shall undertake the following duties and operations in accordance with the relative Laws and Regulations:—

- (1) to issue and administer the currency and undertake duties connected therewith;
- (2) to carry on the following operations:—
  - (i) to accept on deposit or current account monies of Government and semi-Government departments as well as of banks in Iraq and abroad.
  - (ii) to purchase, sell, or rediscount inland bills of exchange and promissory notes arising out of bona fide commercial transactions provided that such bills and notes bear two or more good signatures and mature within ninety days;
  - (iii) to purchase, sell, discount or rediscount, or grant advances for fixed periods not exceeding 3 months against Treasury Bills of the Iraq Government which have been publicly offered for sale and maturing within three months;
  - (iv) to grant advances to semi-Government departments for fixed periods not exceeding 10 years and to purchase and sell securities of the Iraq Government or guaranteed by the Iraq Government which have been publicly offered for sale and maturing within a period of 15 years provided that the total amount so advanced and so invested shall not, together with any such securities,

held as collateral for advances, exceed at any time three times the authorised capital of the Bank. This limitation shall not apply to any securities held in the Currency Reserve or on behalf of staff pension or other funds of the Bank.

- (v) to make temporary advances to the Government in order to meet a temporary deficiency of budget revenue. The total amount of such advances shall not exceed 10% of the total revenue in the Budget Law of the year, and every advance shall be repayable by the end of the Government's financial year in which it is made.
- (vi) to grant advances for fixed periods not exceeding three months at a minimum rate of interest at least one per cent above the Bank's official rediscount rate for 3 months' bills against the following securities:—
  - 1. gold coin or bullion.
  - 2. publicly issued securities of (or guaranteed by) the Iraq Government maturing within ten years, provided that no such advance shall exceed 80 per cent of the market value of the security pledged and that the total of such securities is within the limitation laid down in sub paragraph (iv) above.
  - 3. such bills of exchange and promissory notes as are eligible for purchase, discount or re-discount by the Bank up to 60% of their nominal value.
  - (vii) to act as correspondent or agent for any central bank or any international bank or international monetary authority.
  - (viii) to undertake, on behalf of customers and overseas correspondents, the purchase and sale, collection and payment of securities, currencies and credit instruments, in Iraq or abroad, and the purchase or sale of gold or silver.
  - (3) to undertake duties arising from international agreements connected with economic and financial affairs;
  - (4) to control foreign exchange;

- (5) (a) to control banks and sarrafs and co-ordinate their operations: (\*)
- (b) to fix the maximum interest rates collected or paid by them in their banking business; (\*)
- (6) to give advice to the Government on all matters directly or indirectly affecting the position of Iraq currency internally or externally;
- (7) to undertake transactions relating to Government and semi-Government loans of all kinds;
- (8) to keep the accounts of the Government and semi-Government departments in all their branches.

#### ARTICLE 5

- (a) The Bank shall be administered by a Board of Administration consisting of nine members including the Governor and Deputy Governor.
- (b) The Governor shall be appointed by decision of the Council of Ministers and by Royal Irada for a period of five years. He may at the same time be the Chairman of the Board of Administration.
- (c) The Deputy Governor shall be appointed from among the members of the Board of Administration by decision of the Council of Ministers, and by Royal Irada for the period of his membership of the Board. He may be appointed one or more times.
- (d) Members of the Board of Administration shall be appointed by decision of the Council of Ministers for a period of four years. A member may be reappointed one or more times.
- (e) The Board of Administration shall nominate from among its members a Chairman and a Deputy Chairman.
- (f) Five additional members shall be appointed for the Board of Administration by decision of the Council of Ministers for a period of four years. They shall be summoned for the purpose of constituting a quorum for the meetings.

(\*) Amended by Law No. 41 of 1958 Amending Central Bank of Iraq Law No. 72 of 1956.

#### ARTICLE 6

- (a) The original and additional members of the Board of Administration must have experience and specialised knowledge in economic and financial affairs.
- (b) No one who is a manager or an official of a bank shall be a member of the Board of Administration.
- (c) The Governor or Deputy Governor or an original or additional member shall not be removed during his term of office unless he is convicted by a competent court.

#### ARTICLE 7

An Advisory Council to discuss banking matters of a general character shall be formed consisting of the Governor and representatives appointed by the Banks operating in Iraq, and shall meet under the chairmanship of the Governor and at his invitation.

#### ARTICLE 8

- (a) The Board of Administration shall be independent in its administrative and financial affairs subject to the provisions of this Law and the Regulations issued thereunder.
- (b) The Board of Administration may appoint officials and employees in the Bank in accordance with the conditions of service and the salaries and allowances laid down in a Regulation, and may create a Provident Fund for them on such terms as it deems fit.
- (c) The Board of Administration may set up sub-committees from among its members or from others to undertake such matters as it entrusts to them, and may delegate to them such powers as it considers appropriate.

#### ARTICLE 9

- (a) In the event of a dispute arising between the Governor and the Board of Administration, the Governor may submit the subject of the dispute to the judgment of the Minister of Finance, and may refer the subject to the Council of Ministers for a final decision if the Minister of Finance does not support the Governor's point of view.

## ARTICLE 16

- (a) National Bank of Iraq Law No. 43 of 1947 shall be repealed and all actions taken under it shall remain effective unless they conflict with the provisions of this Law.
- (b) This Law shall come into force from the date of its publication in the Official Gazette.

## ARTICLE 17

The Minister of Finance is charged with the execution of this Law.

Made at Baghdad this 9th day of Dhil Qi'da, 1375 and the 18th day of June, 1956.

## ARTICLE 10

The Bank shall be a juristic person having the right to acquire immovable property. It shall be deemed a Government institution for the purpose of the Stamp Law, the Income Tax Law and other Laws, unless otherwise prescribed in this Law.

## ARTICLE 11

The Bank's accounts shall be audited by Chartered Accountants approved by the Minister of Finance, and the Comptroller and Auditor General may audit the Bank's accounts and transactions.

## ARTICLE 12

The Bank shall publish a summary of its accounts at intervals of not more than one month, and shall publish its balance sheet at intervals of not more than one year.

## ARTICLE 13

The Board of Administration shall sanction the annual balance sheet, and submit it to the Minister of Finance for approval. If the balance sheet is not approved within 60 days from the date of submission, the accounts shall be deemed to be final and shall not be objected to except for the purpose of rectifying such errors as may appear therein.

## ARTICLE 14

The Bank shall not pay interest on private deposits which it receives on current account or for a fixed term.

## ARTICLE 15

Internal Regulations may be issued for the good order and management of the Bank.

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(\*) Amended by Law No. 1 of 1964 Amending Central Bank of Iraq Law No. 72 of 1956.

**INTERNAL REGULATION OF THE BOARD OF  
ADMINISTRATION OF THE CENTRAL BANK  
OF IRAQ NO. 46 OF 1956**

We, Faisal the Second, King of Iraq

After perusal of Article 26 (1) of the Constitutional Law and Article 15 of Central Bank of Iraq Law No. 72 of 1956 and pursuant to the proposal of the Minister of Finance and with the approval of the Council of Ministers, we hereby order the promulgation of the following Regulation:

**ARTICLE 1**

The Board of Administration shall elect from among its members a Chairman and a Deputy Chairman for a period of two years. Thereafter the election shall take place once every two years.

**ARTICLE 2**

The Chairman and in his absence the Deputy Chairman shall conduct the meetings of the Board of Administration, and in their absence the Board may elect a chairman to conduct the meeting.

**ARTICLE 3**

Meetings of the Board of Administration shall be convened by the Chairman or by the Deputy Chairman in the absence of the former. If both of them are absent the meetings of the Board shall be convened by the Governor or in his absence by his Deputy.

**ARTICLE 4**

The Board of Administration shall meet at least once in every month. A meeting of the Board shall be convened by the Chairman on the request of the Governor or three members of the Board of Administration.

**ARTICLE 5**

The quorum for any meeting of the Board of Administration shall be at least five members actually present.

**ARTICLE 6**

- (a) Resolutions shall be passed by a majority of votes of the members present and in case of an equality of votes the Chairman shall have a casting vote.

(b) Should the Governor intend to use the right conferred on him by paragraph (a) of Article 9 of the Law, he shall declare his intention at the same meeting and in such case he shall submit his objection to the Minister of Finance within five days.

(c) The Resolutions of the Board of Administration-excluding those relating to the execution of the Exchange Control Law and the Regulation for Service in the Central Bank of Iraq shall be submitted to the Minister of Finance before they are carried out in order to enable him to exercise the right conferred on him by paragraph (b) of Article 9 of the Law (as amended). If the Central Bank does not receive the written objection of the Minister of Finance within six days from the date of receipt of the resolutions by the Ministry of Finance, such resolutions shall be deemed valid. (\*)

**ARTICLE 7**

The Board of Administration may invite any expert to attend its meetings for consultation.

**ARTICLE 8**

The Secretary of the Board of Administration shall record in a special register all resolutions of the Board. They shall be signed by the Chairman and the members present. The Chairman may, when he thinks necessary, order that a complete record be made of some of the discussions.

**ARTICLE 9**

- (a) Each member of the Board of Administration shall receive 400 Dinars per annum and the Chairman shall receive 200 Dinars in addition. (\*\*)
- (b) The salary and allowance of the Governor and the salary or allowance of the Deputy Governor shall be determined by the Council of Ministers.

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(\*) Amended by Regulation No. 9 of 1964 Amending Internal Regulation of the Board of Administration of the Central Bank of Iraq No. 46 of 1956.

(\*\*) Amended by Regulation No. 9 of 1964 Amending the Internal Regulation of the Board of Administration of the Central Bank of Iraq No. 46 of 1956, Article 2.

## ARTICLE 10

- (a) If a member of the Board of Administration has a legitimate reason for absenting himself from one or more meetings of the Board, he shall notify the chairman thereof, and the chairman may then summon an additional member to replace him for the purpose of constituting a quorum. The additional member shall receive an allowance for the period during which he attends the meetings of the Board, at the rate laid down for original members.
- (b) If a member of the Board of Administration absents himself for more than a month without notifying the Chairman, he shall not be entitled to receive the allowance mentioned in Article 9 of this Regulation for the period of his absence.

## ARTICLE 11

If any member of the Board of Administration has a direct or indirect interest in any proceeding or business of the bank which is being discussed at a meeting of the Board, that member shall declare that interest and the Chairman shall then ask that member to leave the meeting during the discussion and voting which take place in respect of that business.

## ARTICLE 12

- (a) The Board of Administration may, in accordance with paragraph (c) of Article 8 of the Law, appoint sub-committees from among its members or from others to carry out any duties of the Bank, and may specify the powers to be delegated and the allowances to be granted to such committees.
- (b) The Board of Administration may entrust to any of its members the performance of any function of the Bank, and in such case the Board may fix fees to be paid to him in addition to the allowance mentioned in Article 9 of this Regulation.

## ARTICLE 13

The Board of Administration shall administer the affairs of the Bank generally and shall determine the organisation of the Bank and its sections, departments and branches in the capital and in other parts of Iraq. The Board shall also decide the appointment of agents and correspondents for the Bank in

such places as it thinks fit, and may delegate such powers as it thinks fit to the Governor of the Bank and, on the recommendation of the Governor, to the heads of departments of the Bank, and to its branches, agents and correspondents.

## ARTICLE 14

The Board shall from time to time determine the number of appointments and services in the Bank according to business requirements. The Board may delegate the whole or part of these powers to the Governor.

## ARTICLE 15

The Governor shall be responsible for the execution of the general policy laid down by the Board of Administration, for ensuring the proper conduct of the business of the Bank and for carrying out the resolutions of the Board of Administration.

## ARTICLE 16

The Board of Administration or its Chairman or any of its members shall not be liable in respect of any act done by them in conformity with the provisions of Law No. 72 of 1956 and the Regulations issued thereunder. The duty of the Board of Administration shall be deemed to have ended in connection with the annual accounts which have been sanctioned or have acquired their final form in accordance with the provisions of the said Law.

## ARTICLE 17

- (a) Internal Regulation of the Board of Administration of the National Bank of Iraq No. 28 of 1948 and amending Regulation No. 71 of 1949 are hereby repealed. All actions taken thereunder shall remain valid unless they conflict with the provisions of this Regulation.
- (b) This Regulation shall come into force from the date of its publication in the Official Gazette.

## ARTICLE 18

The Minister of Finance is charged with the execution of this Regulation.

Made at Baghdad this 28th Day of Safar, 1376 and the 4th Day of October, 1956.

**REGULATION FOR SERVICE IN THE CENTRAL BANK  
OF IRAQ NO. 50 OF 1956**

We, Faisal the Second, King of Iraq

After perusal of Article 26 (1) of the Constitutional Law and in accordance with Article 8 (b) of Central Bank of Iraq Law No. 72 of 1956 and pursuant to the proposal of the Minister of Finance and with the approval of the Council of Ministers, do hereby order the enactment of the following Regulation:

**CHAPTER 1 — DEFINITIONS**

**ARTICLE 1**

- (a) The provisions of this Regulation shall apply to all officials and employees who are in the service of the Central Bank of Iraq and draw their salaries from the Bank, with the exception of the Governor and his Deputy.
- (b) The provisions of paragraph (d) and (e) of Article 31 shall apply to the Governor and his deputy as well as to officials and employees on special contracts, unless their contracts otherwise provide.

**ARTICLE 2**

In this Regulation the expressions:

- Official : means every person entrusted with a permanent post included in the Bank's cadre for officials.
- Employees : means every person employed by the Bank in a service included in the Bank's cadre for employees excluding persons who receive daily wages in respect of working days only.
- Cadre : means the total posts sanctioned by the Board.
- Board : means the Board of Administration of the Central Bank of Iraq.
- Head of Department : means the director, the manager of a branch and any other official invested with the powers of a head of department by decision of the Board.
- Retirement : means the leaving of the service by an official as a result of the abolition of his post or his attain-

ment of 55 years of age or his completion of 15 years effective service in the Bank, or when he is no longer fit for service according to a certificate from an official board confirming his unfitness for service in the Bank by reason of an incurable bodily or mental disease, or when his services are dispensed with for a non-criminal reason.

**CHAPRER II - CLASSES, GRADES AND SALARIES**

**ARTICLE 3**

- (a) The salaries to be assigned to posts in the Bank shall be determined in accordance with Schedule (2) annexed to this Regulation.
- (b) The Board shall fix from time to time the number of posts and services in the Bank according to the requirements of business.

**ARTICLE 4**

- (a) As from the date of coming into force of this Regulation, the scales of salaries shown in Schedule (1) annexed to the Regulation shall be granted together with the high cost of living allowances determined for officials of the civil service
- (b) The classes of employees shall be as shown in Schedule (3) annexed to this Regulation. Their salaries shall be within the minimum and maximum shown in each class, and they shall be granted the high cost of living allowances determined for employees.

**ARTICLE 5**

- (a) The scales shown in Schedules (1) and (3) provide for an automatic advance from the minimum to the maximum shown in each class by the annual increment shown between the two figures. This increment shall be granted on an official's or employee's completion of one year at a salary which is below the maximum of the scale, and on the strength of a recommendation made by the immediate supervisor of the official or employee concerned and approved by the next senior official, stating that the service of the official or employee due to receive the increment has been in all ways satisfactory during the year. The Board shall issue instructions as regards the making of such recommendations.

- (b) The Board may, on the strength of a recommendation made by the head of the department and approved by the Governor, grant an official of Class III and above who holds a higher certificate and renders distinguished services to the bank more than one increment, provided that the total increments granted under this paragraph to any official during the period of his service in the Bank shall not exceed three increments. The re-appointment of an official in the Bank shall, for the purposes of this paragraph, be regarded as continuous service.

#### ARTICLE 6

- (a) If the present salary of an official does not conform to the salaries determined in Schedule (1) annexed to this Regulation, such salary shall be raised to the next salary if the difference between the official's salary and that next to it in the Schedule is equal to half the difference between the two salaries or more, but if the difference is less than half, the official's salary shall be reduced to that immediately below it.
- (b) The Board may modify the present salaries of employees by adding an amount not exceeding two Dinars thereto.

#### ARTICLE 7 (\*)

- (a) If an official's salary is less or more than the minimum or maximum determined for the designation of his post in Schedule (2) annexed to this Regulation, he shall retain the designation of his post and his salary shall be regarded as personal.
- (b) An official may occupy a post higher than his own by one class if he is proved capable on the recommendation of the head of department and to the satisfaction of the Board.

### CHAPTER III — CONDITIONS OF EMPLOYMENT

#### ARTICLE 8

No person shall be eligible for first appointment to a post in the Bank unless:

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(\*) Amended by Regulation No. 29 of 1961, Second Amendment to Regulation for Service in the Central Bank of Iraq No. 50 of 1956, Article 1.

- (a) He is an Iraqi national or has been a naturalised Iraqi for not less than five years.
- (b) He has completed his eighteenth year.
- (c) He is free from contagious diseases and bodily or mental diseases and infirmities which would prevent him from carrying out the duties of the post to which he is appointed, according to a decision from the competent medical authority.
- (d) He has a good character and reputation and has not been sentenced for any crime (except political offences) or any delict of a dishonourable nature such as theft, embezzlement, forgery and fraudulence and has not practised any dishonourable calling.
- (e) He holds a recognised school certificate.

#### ARTICLE 9

The provisions of paragraphs (b), (c) and (d) of Article 8 shall apply to employees, provided that each one of them is an Iraqi national.

#### ARTICLE 10 (\*)

- (a) No official or employee shall be appointed unless there is a vacant post in the Cadre.
- (b) No official or employee shall be appointed or re-appointed except with the approval of the Board.
- (c) An official on first appointment may only be appointed in the appropriate class set out in the following Article. Upon appointment of an official who has experience and specialised knowledge in banking, accountancy and economic analysis and who has previously served in institutions whose functions require such specialised knowledge, the service of that official in the said institutions shall be regarded as service in the Bank for the purpose of determining the class and salary.
- (d) An employee on first appointment may only be appointed at the minimum salary of his class.

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(\*) Amended by Regulation No. 29 of 1961, Articles 2 and 3.

### ARTICLE 11

Officials shall be entered at the following levels according to their educational standards:

- (a) Graduates of Primary schools, at the minimum of class 6, at a salary of 11 Dinars.
- (b) Graduates of Intermediate schools or schools of equivalent level, into Class 6 at a salary of 13 Dinars.
- (c) Graduates of Secondary schools or schools of equivalent level, into Class 5 at a salary of 17 Dinars.
- (d) Holders of the Initial University or College Certificate or its equivalent of a standard to be laid down by the competent authority, into Class 4 at a salary of 29 Dinars.
- (e) Holders of M. A. Degree or its equivalent after obtaining the initial certificate mentioned in paragraph (d) above, into Class 4 at a salary of 33 Dinars.
- (f) Holders of a Doctorate in addition to the Certificate specified in paragraph (d) above, into Class 3 at a salary of 50 Dinars.

### ARTICLE 12

- (a) An official or employee shall, on first appointment, be on probation for one year in effective service. This period may be extended by a further year.
- (b) The services of an official or employee shall be dispensed with if his inefficiency is established during the period of probation.
- (c) An official or employee shall be regarded as confirmed under this Regulation if at the expiry of the period of probation prescribed in paragraph (a), no order is issued confirming him or dispensing with his services.
- (d) After confirmation, the period of probation shall be reckoned as part of the period of service of the official or employee.

### ARTICLE 13

An official or employee shall be placed again on probation if he is re-employed after his resignation or the abolition of his post or the dispensing with his services during the period of

probation. He shall not be granted a salary higher than his former salary, except in accordance with the provisions of this Regulation.

### ARTICLE 14

- (a) An official or employee shall be entitled to the salary of his post, whether on first or subsequent appointment or on transfer to a higher class, from the date on which he assumes duty. If he does not assume duty within 7 days of the date on which he is notified of the appointment (excluding the usual days of travel), the authority concerned shall serve him with a notice requiring him to assume duty, and if he does not assume duty within seven days from the date on which the notice is served if he is in Iraq or within 30 days if he is outside Iraq or if his whereabouts is unknown, the order of his appointment shall be regarded as cancelled.
- (b) An official or employee whose post is abolished, or whose services are dispensed with, or who is discharged or dismissed without being suspended shall be entitled to draw his salary up to the day on which he is notified of the order, unless his duties require to be handed over, in which case he shall be allowed a reasonable period. The despatch of a copy of the order to the official or to his last place of residence shall, for the purpose of this Article, be regarded as notification.

### CHAPTER IV — TRANSFER OF OFFICIALS FROM ONE CLASS TO A HIGHER CLASS

#### ARTICLE 15

The selection of officials for transfer to a higher class shall be on the basis of merit and length of service, irrespective of educational qualifications (with particular emphasis on merit in the higher posts).

#### ARTICLE 16

An official may be transferred to the class immediately above the one he occupies provided that:

- (a) There is a vacant post equivalent to or higher than that to which he is to be transferred.
- (b) His ability to fill the post and his superiority over other claimants is established to the satisfaction of the Board on the recommendation of his immediate supervisor.

- (c) He has completed the following periods subject to the provisions of paragraph (b) of Article 5:—

1-3 years in Class 6  
2-4 years in Class 5  
3-4 years in Class 4  
4-5 years in Class 3  
5-5 years in Class 2

#### ARTICLE 17 (\*)

- (a) The period spent by an official in his previous class before the coming into force of this Regulation shall count for the purposes of transfer from his new class to a higher class.
- (b) If an official's salary according to the classes appearing in Schedule (1) annexed to this Regulation falls midway between the minimum and maximum of his class or higher, he may be transferred to the class next to his class after completing half the statutory period for transfer.

#### ARTICLE 18

An official transferred to a higher class shall be on probation for one year. Unless an order is issued during the period of probation relegating the official to his former class, he shall be regarded at the end of the said period as confirmed in the class to which he has been transferred.

#### ARTICLE 19

An official who has resigned or whose services have been terminated owing to the abolition of his post shall not be re-appointed at a salary or in a class higher than that he was drawing or holding unless he had fulfilled the statutory conditions for transfer of the qualifications set forth in Article 11, in which case he may be appointed at the salary or in the class prescribed for his qualifications.

### CHAPTER V - RESIGNATION, TRANSFER & RETIREMENT

#### ARTICLE 20

- (a) An official or employee may resign his post by submitting a written application to the competent authority.

(\*) Amended by Regulation No. 29 of 1961, Articles 4 and 5.

- (b) The competent authority shall decide on the resignation within a period not exceeding 30 days, and the official or employee shall, at the end of the said period, be regarded as having relinquished his duties, unless the order of acceptance is issued earlier.
- (c) If an official or employee tenders his resignation and specifies a date for its acceptance, it may be accepted from or before that date.

#### ARTICLE 21

- (a) An official served with an order of transfer shall join his post within a period not exceeding five days (excluding the usual days of travel) unless the order of transfer prescribed a longer period. If he fails to join his post or to give such lawful excuse for the delay as will be accepted by the Board, the authority concerned shall notify him in writing that he must join the post within seven days from date of service of the notice. If he fails to do so at the expiry of the period specified in the notice, he shall be regarded as having resigned.
- (b) An official or employee shall rejoin his post as soon as his leave expires, and if he fails to do so or to give such lawful excuse for the delay as will be accepted by the Board, the authority concerned shall notify him in writing that he must rejoin his post. If he fails to do so within seven days from the date of service of the notice if he is in Iraq and within 30 days if he is outside Iraq, he shall be regarded as having resigned.
- (c) Notifications to an official or employee whose whereabouts is unknown shall be made by the insertion of a notice in the local newspapers. The date of publication shall be regarded as the commencement of the notice.
- (d) The provisions of the preceding paragraph shall apply to officials or employees who are absent from their posts.
- (e) The notice period during which an official or employee fails to join his post shall be regarded as ordinary leave without pay.

#### ARTICLE 22

- (a) An official taken for service with the colours shall in the following cases be regarded as on leave with or without pay

(according to what he may be entitled to) during the period of his attachment to the Army:—

1. If he is taken for service with the colours and has paid the cash badal.
  2. If he is taken to participate in the annual military exercises.
  3. If he is taken for reserve service.
  4. If he joins the Reserve Officers' Course.
- (b) During the period of his attachment to the Army, an official shall, in the following cases, be regarded as being on leave without the need for a decision by the Board and without pay, but he shall, if he wishes, be given the pay of the ordinary leave due to him:
1. If he is taken for service with the colours and has not paid the cash badal.
  2. If he is called for army service in the event of the proclamation of general or special mobilisation.

### ARTICLE 23

An official who asks for retirement shall submit a written application to the authority concerned stating the reasons on which his application is based. If the reasons are legitimate the application shall be accepted within a period not exceeding 30 days.

## CHAPTER VI - LEAVE

### ARTICLE 24 (\*)

- (a) An official shall be entitled to ordinary leave on full pay at the rate of one day for every 12 days of his service during the first ten years of his service; one day for every 10 days during the second ten years; and one day for every 8 days during the period of service thereafter.
- (b) Leave shall be granted upon the submission of a formal application by the official, provided that the interest of the Bank be not affected thereby. The grant of leave shall not

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(\*) Amended by Regulation No. 29 of 1961, Article 6.

be withheld for such reason for more than two years from the date of submission of the first application.

- (c) Leave may be accumulated at the rate set out in paragraph (a) of this Article up to a period of 180 days, provided that the official shall not be granted more than 120 days at a time on full pay and the remainder of the period on half pay.
- (d) If no ordinary leave is due to an official and urgent reasons call for the grant of such leave, he may be given up to 50 days without pay.
- (e) Leave shall be granted by the Board.

### ARTICLE 25 (\*)

- (a) An official whose services have been terminated by the abolition of his post or who has retired under the provisions of the Bank's Officials' Provident Fund in cases other than those of dismissal, shall be granted the ordinary leave due to him, provided that the period of leave shall not exceed 120 days from the date of abolition of the post or of retirement, and the salaries of the leave shall be paid to him in advance, in addition to the rights acquired under the provisions of the Bank's Officials' Provident Fund or the pension rights to which he is entitled under the Pension Law.
- (b) The period of leave under the preceding paragraph shall not be reckoned as service for the purpose of this Regulation.
- (c) If an official is returned to the service before the expiry of the period of leave prescribed in paragraph (a), the salaries due in respect of the remainder of the leave shall be recovered from him and shall be deducted in full from the salaries which will be due to him after his return to the service.

### ARTICLE 26 (\*)

- (a) An official shall be entitled to sick leave on full pay at the rate of 30 days for each complete year of service and 45 days on half pay, provided that:

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(\*) Amended by Regulation No. 29 of 1961, Article 6.

1. The period of sick leave in each sickness shall not exceed 90 days on full pay, followed by 90 days on half pay;
2. The aggregate of sick leave during the five years preceding the expiry of the sick leave shall not exceed 180 days on full pay and 180 days on half pay.
- (b) An official who has exhausted all the sick leave and other leave due to him may be granted further leave without pay up to a maximum of 180 days. If at the expiration of that period he is unable to resume his duties, the Board may terminate his services.
- (c) The Board shall determine the conditions and manner of granting sick leave.
- (d) There shall be carried forward to the account of the official the ordinary and sick leave due to him prior to the coming into force of this Regulation.

#### ARTICLE 27 (\*)

- (a) An employee may be granted for each year of service, 12 days ordinary leave on full pay. Such leave may be accumulated up to 24 days.
- (b) An employee may be granted 30 days sick leave on full pay for each year of service. Such leave may be accumulated up to 90 days on full pay.

#### ARTICLE 28 (\*)

- (a) The Board may grant an official who holds a higher certificate and who has completed three years' service in the Bank leave for not more than two years on full pay outside Iraq for the purpose of training and specialization in a subject closely related to the duties of his post or the duties of the post for which he is nominated.
- (b) The period of leave mentioned in paragraph (a) of this Article shall be counted as service for the purpose of this Regulation.

#### ARTICLE 29 (\*)

An official who resigns shall forfeit all his ordinary and sick leave unless the resignation is for the purpose of study or specialization or is due to his election as a Member of Parliament.

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(\*) Amended by Regulation No. 29 of 1961, Article 6.

ment or Cabinet Minister, in which case he shall have the right to enjoy such leave upon his return to the service.

### CHAPTER VII - ALLOWANCES

#### ARTICLE 30

The Board may grant local allowances to officials of branches outside Baghdad at rates not exceeding 15 per cent of their salaries, provided that such allowances shall not be paid to officials residing permanently in the stations of those branches.

#### ARTICLE 31

The Board may grant the following allowances in accordance with the provisions of the Civil Service Law and the regulations and instructions issued thereunder:—

- (a) Acting allowance for performing the duties of a vacant post at a rate not exceeding 20 per cent of the salary of the vacant post.
- (b) Overtime allowance to be paid in the form determined by the Board, provided that it shall not exceed 20 per cent of the monthly salary.
- (c) Entertainment allowances to managers of branches outside Baghdad, not exceeding 30 Dinars per month.
- (d) Travelling allowances and transport expenses, for reimbursement of expenses incurred by the official or employee in the performance of official duties, upon transfer from the place of duty or upon first appointment or discharge from the service, provided that they shall include the transport of household furniture and the members of his family dependent upon him by Law.
- (e) Deputation allowances when an official is deputed to a foreign country by decision of the Council of Ministers to carry out an official mission.

#### ARTICLE 32

No official shall be entitled to receive two salaries at one and the same time, or to draw allowances in respect of committees or functions considered to be a part of the duties of his post. He shall, however, be entitled to receive fees for special services rendered to the Bank or to other Government Depart-

ments when such services are not related to posts included in the Cadre and are different from his nominal duties and the functions of his department.

## CHAPTER VIII - DISCIPLINE OF OFFICIALS

### ARTICLE 33

Every official shall comply with the rules laid down by the Board with regard to the performance of his duties and with regard to actions he must avoid.

### ARTICLE 34

- (a) The penalties inflicted on officials by the authority determined in this Regulation shall be the following penalties, without prejudice to such other proceedings as may be taken against them under the laws in force.

#### DISCIPLINARY PENALTIES

1. Warning.
2. Salary cut for not more than 10 days.
3. Reprimand.

#### PUNITIVE PENALTIES

1. Reduction of salary.
  2. Dismissal.
- (b) Not more than one penalty shall be inflicted for a single offence.

### ARTICLE 35

- (a) The warning penalty shall be inflicted by the despatch of a letter to the official, stating the offence he has committed and warning him that he must not repeat it and must improve his work in the future.
- (b) Punishment by warning may be inflicted twice only and thereafter a heavier punishment must be inflicted.

### ARTICLE 36

- (a) The penalty of reprimand shall be inflicted by the despatch of a notice in writing to the official stating the offence he has committed, which makes his conduct unsatisfactory.

- (b) Any reprimand addressed to the official shall put off once the receipt by him of the automatic increment determined for his class.

### ARTICLE 37

**Reduction of Salary:** Punishment of the official by cutting an amount from his monthly salary in a proportion and for a period to be specified in the decision, provided that the proportion shall not exceed 10 per cent of his monthly salary for a period of not less than one year and not more than 2 years. An official on whom this punishment is inflicted shall be deprived for two consecutive times of the automatic increment determined for his class.

### ARTICLE 38

- (a) **Penalty of Dismissal:** Dismissal of the official from his post. He may not be reappointed to any post of the Bank.
- (b) An official shall be dismissed in the following cases:
  1. If he had been punished twice by the reduction of his salary and he has committed in the third time an offence necessitating punishment.
  2. If he is proved incapable of discharging his office which is within his competence.
  3. If he is proved to be of bad conduct or to have committed disgraceful acts prejudicial to the Bank's reputation.
  4. If he is sentenced to imprisonment for an offence arising out of his post, or is sentenced for a delict derogatory to honour or for a nonpolitical crime.
  5. If the Board is satisfied that his stay in the service is prejudicial to the interest of the Bank.
  6. If he enters the service of a foreign Government or any other person without the approval of the Board.
  7. If he forfeits his Iraqi nationality.

### ARTICLE 39

- (a) Employees shall be subject to the disciplinary penalties specified in Articles 34, 35 and 36.
- (b) The Board may dismiss an employee if it is satisfied that his stay in the service is inconsistent with the interest of the Bank.

#### ARTICLE 40

- (a) The Board shall appoint a disciplinary committee from among the officials of the Bank, and shall grant it the necessary powers to inflict disciplinary penalties on officials and to recommend the infliction of punitive penalties on them.
- (b) Punitive penalties shall be inflicted by the Board.

#### ARTICLE 41

The committee shall meet on the strength of a report from the head of the department to which the official belongs and with the approval of the Board.

#### ARTICLE 42

A punished official shall have the right to appeal to the Board against disciplinary penalties, and to ask for reconsideration by the Board of punitive penalties, with seven days from the date on which he is served with the decision inflicting the penalty on him.

#### ARTICLE 43

- (a) The head of a department may punish an employee with disciplinary penalties provided that his decision is approved by the Board.
- (b) The Board may punish an employee with punitive penalties on the recommendation of the head of the department.
- (c) Decisions taken under paragraphs (a) and (b) of this Article shall be final.

#### ARTICLE 44

- (a) The Board may decide to suspend from duty an official who has been accused of committing an offence necessitating a punitive penalty or has been lawfully arrested and detained.
- (b) If an official is suspended under paragraph (a) of this Article, he shall receive only half his salary for the period during which he remains suspended.
- (c) If an official suspended from duty is dismissed, he shall not be paid any part of the salary withheld.
- (d) If an official suspended from duty is punished by the reduction of his salary, such reduction shall take effect as from

the date of his suspension and he shall be paid the half salaries due to him.

- (e) If an official suspended from duty is acquitted or is only punished by a disciplinary penalty he may receive his salary in full and he shall be paid the half salaries withheld.
- (f) If an official suspended from duty dies before the final result is known, the half salaries withheld up to the date of death shall be added to his estate.

#### ARTICLE 45

The Board may require an official or employee to make good any losses sustained by the Bank as a result of his negligence or his violation of laws, regulations and instructions in force.

#### ARTICLE 46

An official shall be dealt with by the courts direct in respect of his crimes which have not arisen out of his post and have not been committed in his official capacity. In such case the Board shall be notified and the Board may decide to suspend him from duty if it considers necessary.

#### CHAPTER IX - GENERAL PROVISIONS

#### ARTICLE 47

- (a) Office hours in the Bank shall be decided by the Board of Administration from time to time, provided that the total hours per day shall not exceed 7 hours nor the total hours per week 39.
- (b) The Head of a Department may, with the approval of the Board, decide upon such special hours as the exigencies of work in his department may require, provided that they shall not exceed the number of hours fixed in paragraph (a) of this Article.
- (c) The Head of a Department may, with the approval of the Board, increase the fixed office hours for the purpose of completing urgent work pertaining to his department, provided that he shall state in the order issued for this purpose the reasons necessitating the increase, the period during which such increase will apply and the officials involved.

**ARTICLE 48 (\*)**

An official shall be treated in Government hospitals at the Bank's expense if his illness is proved by a report issued by an official medical board, and the board has certified that the illness is caused by his service. If the medical board confirms the impossibility of treating him in Iraq because of the lack of necessary means or specialists, he shall be sent abroad for treatment at the Bank's expense, provided that the medical board shall determine the hospital or the country to which he shall be sent, and that in this respect the relevant treatment instructions shall be complied with.

**ARTICLE 49**

The Board may grant an official or employee compensation for luggage lost or destroyed in the course of his official duties.

**ARTICLE 50 (\*\*)**

An official or his heirs shall be granted six months' salary at the rate of his last nominal salary if he retires from the service because of a defect or illness contracted during service and because of it, after he has served 15 years or more.

**ARTICLE 51**

This Regulation shall come into force from the date of its publication in the Official Gazette.

**ARTICLE 52**

The Minister of Finance is charged with the execution of this Regulation.

Made at Baghdad this 10th day of Rabi' al-Awal, 1376, and the 15th day of October, 1956.



(\*) Amended by Regulation No. 29 of 1961, Article 7.

(\*\*) Amended by Regulation No. 29 of 1961, Article 8.

**SCHEDULE 1 (\*)****SCALES OF SALARIES OF OFFICIALS OF THE BANK**

<u>Class</u>	<u>Progressive scales of monthly salaries</u>
1	100 - 7 - 170
2	70 - 6 - 94
3	45 - 5 - 65
4	29 - 4 - 41
5	17 - 3 - 26
6	11 - 2 - 15

**SCHEDULE 2 (\*)****APPOINTMENTS IN THE BANK**

Chief	100 - 170
Director	100 - 170
Assistant Director	70 - 94
Secretary	29 - 94
Chief Superintendent	45 - 65
Accountant	45 - 94
Assistant Accountant	29 - 41
Head Cashier	45 - 94
Cashier	29 - 41
Assistant Cashier	17 - 26
Superintendent	29 - 41
Clerk	17 - 26
Assistant Clerk	11 - 15
Storekeeper	17 - 41
First Counter	29 - 41
Second Counter	17 - 26
Third Counter	11 - 15
Stenographer	29 - 65
Typist	11 - 41

**SCHEDULE 3 (\*)****EMPLOYEES OF THE BANK**

<u>Class</u>	<u>Progressive scales of salaries</u>
Farrash	7 - $\frac{1}{2}$ - 14
Razzam	8 - 1 - 15
Telephone Operator	9 - 1 - 17

(\*) Amended by Regulation No. 29 of 1961, Article 13.

**REGULATION NO. 29 OF 1961  
SECOND AMENDMENT TO REGULATION FOR SERVICE  
IN THE CENTRAL BANK OF IRAQ NO. 50 OF 1956**

In the Name of the People  
The Sovereignty Council

Pursuant to the proposal of the Minister of Finance and with the approval of the Council of Ministers, do hereby order the enactment of the following Regulation:

**ARTICLE 1**

Article 7 of Regulation No. 50 of 1956 shall be cancelled and substituted by the following:—

Article 7- An official may be appointed in a post higher than that in which he is entitled to be appointed or he may occupy a post higher than his own by one class if he fulfils the conditions for promotion laid down in the Regulation. In such case he shall be promoted by order of the Governor on completing the period stipulated for promotion.

**ARTICLE 2**

The expression "and promotion" shall be added at the end of paragraph (c) of Article 10.

**ARTICLE 3**

The following two paragraphs shall be added at the end of Article 10 as paragraphs (e) and (f):

- (e) An engineer or assistant engineer may be appointed at the salary to which he is entitled according to his certificate and the period during which he has practised his profession if he is appointed in a post related to his profession.
- (f) A technical labourer shall be appointed as an employee at the minimum salary of the class to which he is entitled, provided that he passes an examination to be held for him by a technical committee appointed by the Governor.

**ARTICLE 4**

Paragraph (b) of Article 17 of the Regulation shall be cancelled and substituted by the following:—

- (b) Holders of primary and intermediate school certificates shall not be transferred to other than the posts specified for them in Schedule No. (2) annexed to this Regulation, unless they obtain a higher certificate.

**ARTICLE 5**

The following paragraph shall be added at the end of Article 17 of the Regulation as paragraph (c):

- (c) The assistant clerk, whose post is deleted from Schedule No. (2) annexed to this Regulation, shall retain his designation. His salary shall not exceed ID.26 unless he is entitled to a higher salary under the provisions of this Regulation.

**ARTICLE 6**

Article 24-29 of the Regulation shall be cancelled and substituted by the following:—

Article 24 - An official or employee shall be entitled to ordinary, sick, special or study leave in accordance with the provisions of the Civil Service Law and the Regulations and Instructions issued thereunder.

**ARTICLE 7**

Article 48 of the Regulation shall be cancelled and substituted by the following:—

Article 48-An official shall be treated in Government hospitals at the Bank's expense if his illness is established in a report issued by an official medical board, and the board certifies that the illness had occurred in the course and by reason of his service. The board may decide that the official shall be treated in Government hospitals at the Bank's expense if his illness had occurred in the course of his service and not by reason of it. If the board confirms the impossibility of treating him in Iraq because of the lack of necessary means or specialists, he shall be sent abroad for treatment at the Bank's expense, if the illness had occurred in the course and by reason of his service. The Board may decide to send him abroad for treatment at the bank's expense if the illness had occurred in the course of the service and not by reason of it, provided that the medical board determine the hospital or the country to which he must be sent, and provided that the treatment instructions determined for officials of Government departments are complied with.

### ARTICLE 8

Article 50 of the Regulation shall be cancelled and substituted by the following:—

Article 50- An official or employee, or anyone entitled to acquire pension rights through him, shall be granted six months salary at the rate of his last nominal salary, if he retires from the service because of a disease or disability contracted during the service and on account of it after having completed 15 years or if he dies of it irrespective of the period of his service.

### ARTICLE 9

1. A confirmed official or employee in the bank who is recommended to be granted the annual increment provided for in this Regulation shall be given an additional nominal salary to be paid to him on 31st December each year. If he is not confirmed, he shall, on the recommendation of the head of the department, be given an additional amount at the rate of  $1/12$  of his nominal salary multiplied by the number of months he spent in the service.
2. The Board may pay another additional nominal salary to a confirmed cashier and his assistant if they have completed one year's service in their posts as cashier or assistant cashier.
3. The advance given in 1958 and the bonuses granted in 1959 and 1960 to officials and employees of the bank shall be deemed to be additional salaries for the purpose of paragraph (1) of this Article.

### ARTICLE 10

The Board may arrange courses for the training of such officials as the Governor may decide should be trained for the purpose of raising the standard of their efficiency provided that the period of the course, the conditions for joining it and the rights of the graduates shall be determined beforehand.

### ARTICLE 11

The Board may establish a housing scheme for the officials and employees of the Bank in accordance with such terms and contracts as may be decided by the Board. This Article shall be deemed to be effective from the date of establishment of the scheme.

### ARTICLE 12

The provisions of the Civil Service Law and its instructions shall be applied in cases not provided for in this Regulation and which do not conflict with its provisions.

### ARTICLE 13

Schedules Nos. 1, 2 and 3 annexed to Regulation No. 50 of 1956 shall be cancelled and substituted by Schedules Nos. 1, 2 and 3 annexed to this Regulation.

### ARTICLE 14

Regulation No. 73 of 1959 Amending Regulation for Service in the Central Bank of Iraq shall be cancelled.

### ARTICLE 15

This Regulation shall come into force from the date of its publication in the Official Gazette.

### ARTICLE 16

The Minister of Finance is charged with the execution of this Regulation.

Made at Baghdad this 16th day of Rabi' Al-Awal, 1381 and the 27th day of August, 1961.



Schedule No. 1  
Class

1	100-7-184
2	70-6- 94
3	45-5- 65
4	29-4- 41
5	17-3- 26
6	11-2- 15

Schedule No. 2

Governor  
Deputy Governor  
Chief  
Director  
Assistant Director  
Engineer  
Assistant Engineer  
Secretary  
Chief Superintendent  
Accountant  
Head Cashier  
Stenographer  
Cashier  
Assistant Accountant  
Superintendent  
Technical Supervisor  
Storekeeper  
Assistant Cashier  
Clerk  
First Counter  
Typist  
Second Counter

Schedule No. 3

Employees of the Bank

<u>Class</u>	<u>Progressive Scales of Salaries</u>
Farrash, Peon, Sweeper, Guard, Porter, Farmer, Lift-operator	7-1-20
Razzam	8-1/500-26
Telephone Operator	9-1/500-30
Cleaner, Gardener	12-1/500-30
Technical Labourer	20 - 2 - 34
First Technical Labourer	36 - 3 - 65

**INSTRUCTIONS FOR SERVICE IN THE  
CENTRAL BANK OF IRAQ No. 1 OF 1957**

**Subject — Annual Increments**

Pursuant to the decision taken by the Board of Administration in their 263 rd meeting held on 9/1/1957 and in accordance with Article 5 of the Regulation for Service in the Central Bank of Iraq No. 50 of 1956, we have issued the following instructions regarding the automatic increments of officials and employees of this Bank.

The official or employee shall be granted the annual increment shown between the minimum and maximum limits of his class on his completion of one year at a salary which is below the maximum limit of his class as from the date of taking his salary within his class as follows provided that the approval of the Governor or whoever he authorizes be taken for each increment :

- (1) Officials of Class 1 by a written notice from the Director of Administration to the accountant responsible for payment of salary confirming that the official has completed one year with his present salary in accordance with Form No. 1.
- (2) Officials of other classes by a written notice from the Director of Administration to the Accountant responsible for payment of salary confirming that the official has completed one year with his present salary and approved by the immediate superior of the official and the next superior official to the effect that the official deserves the increment in accordance with Form No. 2.

If the services of the official were not satisfactory he shall be notified by Form No. 3. No other certificate may be issued in his favour or otherwise until one year after completing the year for which he hasn't deserved the increment.

- (3) Employees of all classes in accordance with a notice to be issued to the accountant by the immediate superior of the employee and approved by the Director of Administration showing that the employee is entitled to the increment after the Superintendent of Personnel confirms that the employee has completed one year with his present salary in accordance with Form No. 4.

If the services of the official are not satisfactory, he shall be notified by Form No. 5. No other certificate may be issued in his favour or otherwise unless after one year from completing the year for which he hasn't deserved the increment.

- (4) Annual increment forms shall be submitted within a period not exceeding one month prior to the official's completion of one year with his salary. If the department delays the submission of the recommendation till after the date on which the official deserves the increment because of officials failure to fulfil his duties satisfactorily, the increment then shall be effective as from the date of issue of the increment form. The date of granting the last increment shall be regarded the basis for calculating the increments in the future. If the department was sure that the delay in issuing the recommendation has taken place inattentively or was a result of negligence, the subject shall be referred to the Board of Administration for decision. (\*)
- (5) The official shall be deprived from the increment if: (\*\*)
  - (1) his immediate superior refuses to submit the recommendation for granting him the annual increment.
  - (2) the next superior refuses to sanction the recommendation submitted by the immediate superior for granting him the annual increment.

Governor

(\*) It has thus been amended in accordance with the Regulation for Service in the Central Bank of Iraq No. 1 of 1962 issued under the decision of the Board of Administration of the Central Bank of Iraq taken in their 481st. meeting held on 23/5/1962.

(\*\*) Added in accordance with Regulation for Service in the Central Bank of Iraq No. 1 of 1962.

## **INSTRUCTIONS FOR SERVICE IN THE CENTRAL BANK OF IRAQ No. 2 OF 1957**

### **Subject — Duties of the Official**

Pursuant to the decision of the Board of Administration taken in their 263rd meeting held on 9/1/1957 and in accordance with Article 33 of Regulation for Service in the Central Bank of Iraq No. 50 of 1956, we have issued the following Instructions regarding performance of duties by the official and the acts that he must avoid:

#### **Firstly: Duties of the Official**

Each official must fulfil the following:

- (a) Attends at the office hours specified by the Board from time to time and stay after office hours as long as the work at the Bank necessitates that.
- (b) Performs his duties accurately and faithfully in accordance with laws, regulations and instructions.
- (c) Obey completely the orders given to him by his superiors within the duties of his post.
- (d) Keeping the secrecy of the affairs which he has been aware of in his post and relating to the affairs of the Bank, the State or the clients.
- (e) Treat the people and behalf with his colleagues in a respectable manner without any prejudice or preference.
- (f) If he is requested to treat an affair in which he has a personal interest, he shall declare such interest immediately to the Governor or to the head of his department.
- (g) If he suspects or is aware of any treason, fraudulence, error or any other concealed action against the interest of the Bank and committed by any person, he shall communicate same to the Governor immediately.

#### **Secondly- Actions which the Official must Avoid**

- (a) Admitting any person or authority outside the Bank to see the records, papers or be aware of procedures relating to the Bank or furnishing such person or authority

with excerpts thereof or publishing any information relating thereto in the newspapers with explicit or false signature without the permission of the Governor.

- (b) Borrowing various kinds of loans for more than half his salary or guaranteeing a person for an amount exceeding half his salary without the permission of the Governor. The official should also avoid to exercise agricultural, industrial or other professions for the purpose of profit-making with the exception of subscription to joint stock companies and deposit of amounts in banks as well as administration and planting his properties, lands and waqf charged to him and properties and lands of his predecessors and successors, his brothers and wife or whoever is under his regency or charge.
- (c) Participating in official auctions of which he has been charged to hold and all tenders whatsoever.
- (d) Going to public places unsuitable to his personality or post.
- (e) Gambling, betting or entering in financial or commercial speculation.
- (f) Appearing drunk in a public place.
- (g) Joining a political society or club and working with political parties affairs or publishing political articles in the newspapers or magazines with explicit or false signatures.
- (h) Moving from his department to another department for the purpose of helping other officials or transferring any register from his department without having explicit instructions to this effect from his superior.
- (i) Erasing any phrase, number or sign from registers or papers of the Bank or changing anything therein without putting his signature next to the erasure or change.
- (j) Obtaining any material interest or otherwise directly or indirectly against any service rendered by him in his official capacity.

Thirdly - Exercising by an Official of Overtime Work not Pertaining to the Duties of his Post.

- (a) No official shall exercise work out of his office hours in any overtime work with the exception of the duties of his work in the Bank.
- (b) The Governor may permit the official to teach in colleges if necessity so requires or when a public interest is achieved provided that work should not be exercised in the Bank and not during office hours and that it should not be derogatory to the duties of his post and provided that the permit should limit the period during which the official is permitted to exercise his profession. The permit shall be renewable when necessary.(\*)

Fourthly- The official who contravenes these instructions shall be punished in accordance with the provisions of Chapter 8 of Regulation for Service in the Central Bank of Iraq No. 50 of 1956.

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(\*) Amended in accordance with Instructions for Service in Central Bank of Iraq No. 1 of 1958 issued under the decision taken by the Board of Administration of the Central Bank of Iraq in their 319th meeting held in 15/11/1958.

**INSTRUCTIONS FOR SERVICE IN THE  
CENTRAL BANK OF IRAQ No. 4 OF 1957**

**Subject : Disciplinary Committee for the  
Officials of the Central Bank**

Pursuant to the decision taken by the Board of Administration at their 268th meeting held in 19/3/1957 and in accordance with paragraph 2 of Article 40 of Regulation for Service in the Central Bank of Iraq No. 50 of 1956, we have issued the following instructions regarding setting up a disciplinary committee for the officials of the Bank.

**Setting up a Disciplinary Committee**

- (a) The Governor may set up the committee consisting of a chairman and two members. One of these two members shall be deputy Chairman who shall act for the chairman in his absence. Two additional members shall be appointed who shall both or any of them be convened to constitute a quorum. All members shall be from class 1 and class 2. The secretary of the committee shall be from any of these two classes or from class 3.
- (b) Affairs of heads of departments shall be referred to a special committee comprising three heads of departments in accordance with the direction of the Governor. This committee shall perform the work of the disciplinary committee in accordance with these instructions. The secretary of the committee set up under the previous paragraph shall be the secretary of this committee.

**Rights of the Disciplinary Committee**

**Communication of Accusation**

The accused shall be communicated with his charge by writing, 8 days before summoning him for the hearings.

**Meetings and Work of the Committee**

- (a) A case shall be referred to the Disciplinary Committee by the Governor in accordance with a report from the head of the department to which the official relates.
- (b) All correspondence relating to the Disciplinary Committee shall be addressed to secretary of the committee who shall work under the supervision of the chairman and shall be responsible for the written affairs, organization of decis-

ions, communication of all information and necessary papers as well as registration of the minutes of the meeting. Nobody is permitted to see these papers unless with the permission of the chairman.

- (c) The chairman of the committee shall specify the date of holding the meeting and shall communicate the same to the official.
- (d) The committee shall hold its meetings secretly and shall start considering the case with the presence of the official or his representative or both if one or both of them have responded to the summon. A representative from the Directorate to which the official relates may attend the meetings. The official or his representative may study the minutes of the inspection and case.
- (e) The meeting shall be opened by reading the verdict by the secretary to the members of the committee if the representative of the Directorate concerned is not present. If he is present, he shall open the meeting by reading a note clarifying the verdict and explaining the clues. Then he hears the confirming evidence, if any. The committee shall then interrogate the accused official and hears his defence. If he has any witnesses in his favour that the committee feels they must be heard with his defence, the committee shall hear them and permits the accused to discuss the necessary matters with the witnesses. Thereafter, the committee shall issue the decision and the chairman shall communicate same to the official and to the Governor.
- (f) The committee may impose any disciplinary punishment provided for in paragraph (a) of Article 34 of the Regulation for Service in the Central Bank of Iraq No. 50 of 1956. They may recommend that the Governor should impose the punitive punishments shown in the abovementioned paragraph. Decisions of the committee shall be taken by the majority of votes or by agreement.
- (g) The Governor may request the official investigation authorities as soon as a breach of trust or any decrease in the money assets or properties deposited with any official to undertake the legal investigation or proceedings against the official concerned before referring him to a disciplinary committee.

### **Reference to Courts**

- (1) If it appears to the committee that there is a crime in the officials action referred thereto or in the contents of the verdict created by his office or committed by him in his official capacity and is convinced that it is committed by him, the committee shall refer the case to the public attorney who shall refer same to the Summary Court with the approval of the Governor. The committee may issue the decision in this connection at any stage of the inspection actions and stop other procedures necessary in accordance with the regulation until a decision is taken by the court if the procedures were relating to accusation regarded as an integral part of the accusation for which he has been referred to the Summary Court or relating to it.
- (2) The official may not object to the decision of referring him to the court with the approval of the Governor.

### **Rights of the Committee after Issue of the Judgement of the Court**

- (a) If the case referred to courts in accordance with the previous Article results in exoneration of the official, the committee may take the disciplinary procedures thereagainst in accordance with the provisions of the regulation because of his behaviour in the affairs for which he was referred to the courts.
- (b) If the case results in the final judgement of the official, the case shall be referred to the Board of Administration to take the necessary action regarding the official.

### **General Provisions**

- (1) Decision may be taken in the case referred to the committee if both or one of the parties or their representatives are absent.
- (2) Resignation or transference of the official to another job shall not prevent his trial.
- (3) Decisions issued by the Disciplinary Committee shall be kept in the personal record of the official.
- (4) Necessary communications in accordance with provisions regarding papers commanding attendance shall be made in accordance with the procedures of the Summary Courts.

Governor

**REPUBLIC OF IRAQ CURRENCY**

## CURRENCY

Republic of Iraq Currency Law No. 92 of 1959.

Law No. 1 of 1961 for Indemnification of Notes and Coins not Bearing the Coat of Arms of the Iraqi Republic.

Republican Ordinance No. 459 of 1959 Regarding the Issue of Notes.

Republican Ordinance No. 460 of 1959 Regarding the Issue of 50 and 100 Fils Denomination Coins.

Republican Ordinance No. 649 of 1959 Regarding the Coinage of 25, 10, 5, 1 Fils Denominations.

Republican Ordinance No. 415 of 1960 under which Coins and Notes which do not Bear the Coat of Arms of the Republic of Iraq Ceased to be Legal Tender as from 6th January, 1961.

Republican Ordinance No. 422 of 1960 on the Coins which have been Illegally Dealt with.

Regulation No. 27 of 1960 Prescribing the Remedies of the Silver, Cupronickel and Bronze Coins of the Republic of Iraq.

**REPUBLIC OF IRAQ CURRENCY LAW NO. 92 OF 1959**

In the Name of the People  
The Sovereignty Council

After perusal of the Interim Constitution and pursuant to the proposal of the Minister of Finance and with approval of the Council of Ministers have approved the following Law:—

**ARTICLE 1**

The following expressions shall have the meanings shown thereagainst:

- (a) Bank - Central Bank of Iraq.
- (b) Currency - Currency of the Republic of Iraq consisting of notes and coins.

**ARTICLE 2**

The standard of Currency of the Republic of Iraq shall be the Dinar equal in value to 2.48828 grammes of pure gold. The Dinar shall be divided into one thousand fils.

**ARTICLE 3**

Every contract, sale, payment, bill, note, instrument and security for money, and every transaction, dealing matter and thing whatsoever relating to money or involving the payment of, or the liability to pay money shall in the absence of express agreement to the contrary, be deemed to be made, executed, entered into, done and had in the Republic of Iraq according to the standard of currency. For the purpose of this Article, currency notes and coins issued under the authority of previous laws and in circulation before the issue of this Law shall be deemed to be of the standard of currency established by Article 2 of this Law until they are cancelled by Republican Ordinance.

**ARTICLE 4**

Every transaction relating to money entered into before the date of coming into force of this Law and representing a liability to pay money in the Republic of Iraq on or after the said date shall be deemed to have been entered into according to the standard of currency established by this Law.

## ARTICLE 5

The Bank shall undertake and shall be the sole authority for the provision, issue and control of currency in the Republic of Iraq, the withdrawal from circulation of notes and coins which have become unfit for use and the destruction of cancelled notes.

## ARTICLE 6

There may be coined from time to time by the Bank for use in the Republic of Iraq coins of such values, design, shape, size, composition and weights as shall be determined by Republican Ordinance. Each coin shall bear an expression of its denomination in fils. The remedies as regards weight shall be prescribed by Regulation.

## ARTICLE 7

- (1) A tender for payment amongst individuals if made in any of the coins specified in Article 6 of this Law shall be legal tender:
  - (a) In the case of coins of the value of 50 fils or 100 fils, for ten Dinars.
  - (b) in the case of coins of the value of less than 50 fils, for one Dinar.
- (2) Coins which have not been illegally dealt with as defined in paragraph 4 of this Article shall be accepted by the Government of the Republic of Iraq and licensed commercial banks in any amount.
- (3) Each coin shall be legal tender only for the amount of its nominal value, provided that it has not been illegally dealt with as defined in paragraph (4) of this Article.
- (4) For the purpose of this Law, a coin shall be deemed to have been illegally dealt with if the coin has been impaired, diminished or lightened otherwise than by fair wear and tear, or has been defaced by stamping, engraving, or piercing whether the coin has or has not been thereby diminished or lightened.
- (5) Any coin which has ceased to be legal tender or which has been illegally dealt with may be called in, cut, broken or destroyed by the Bank under conditions to be laid down by Republican Ordinance.

- (6) Until such time or times as may be specified by Republican Ordinance, a tender for payment among individuals in coin issued under the authority of previous currency laws shall be legal tender if made in the amounts shown in paragraph 1 (a) and (b) of this Article.

## ARTICLE 8

There may be printed from time to time, and issued in the name of the Bank, notes of the standard of currency of such values, form, design and authentication as shall be laid down by Republican Ordinance. Such notes shall bear an expression of their denomination in Dinar or fractions or multiples of a Dinar.

## ARTICLE 9

With effect from the coming into force of this Law, any currency note or notes issued under the authority of this Law or the previous Laws and in circulation shall, until such time or times as may be specified by Republican Ordinance, be legal tender for the amount or total of the amounts expressed thereon without limitation.

## ARTICLE 10

- (a) The issue of currency notes and coin shall be conducted by the Bank in an Issue Department which shall be separated and kept wholly distinct from the Banking Department. The assets of the Issue Department shall not be the subject of any liability other than the liabilities of the Issue Department as defined in Article 11 of this Law.
- (b) The Issue Department shall not issue currency notes or coin to the Banking Department or to any natural or artificial person except in exchange for other such currency notes or coin or in exchange for such bullion or securities as may be permitted to form part of the Currency Reserve as defined in Article 11 of this Law.

## ARTICLE 11

- (a) The Currency Reserve shall be maintained at a level of not less than the nominal value of the liabilities of the Issue Department, namely currency notes and coin in circulation and held by the Banking Department. Such Reserve shall be of gold, silver and foreign currencies and securities to the extent of not less than 70 percent of such liabilities and securities of the Government of Iraq to the extent of not more than 30 percent of such liabilities.

- (b) The proportion of the gold reserve and the manner of storage thereof and the kinds and amounts of foreign currencies and securities and the maturity thereof shall be determined from time to time by the Bank subject to the approval of the Minister of Finance. The said securities shall be of a maturity not exceeding ten years from the date of purchase.

#### ARTICLE 12

- (a) The Bank may issue on demand currency notes and coin in the Republic of Iraq against pre-payment in gold or foreign currencies at the prices and under the conditions prescribed in paragraph (d) of this Article.
- (b) The Bank may issue currency notes and coin in the Republic of Iraq against securities of the Government of Iraq subject to the provisions of paragraph (a) of Article 11 of this Law.
- (c) The Bank shall accept currency notes and coin of the standard of currency established by Article 2 of this Law tendered to it and issue in exchange for them gold or foreign currencies at its option at the prices and under the conditions prescribed in paragraph (d) of this Article subject to the provisions of other laws and regulations.
- (d) The Bank shall issue from time to time statements showing the purchase or selling prices of gold and foreign currencies and the amounts and terms of exchange thereof in accordance with the obligations and laws in force, provided that the difference between the purchase price and the selling price shall not exceed one percent (excluding transport charges) in accordance with the terms of the exchange.

#### ARTICLE 13

Iraq Currency Law No. 44 of 1931 and amendments thereto are hereby repealed.

#### ARTICLE 14

This Law shall come into force from the date of its publication in the Official Gazette.

#### ARTICLE 15

The Minister of Finance is charged with the execution of this Law.

Made at Baghdad this 20th day of Dhil Qui'da, 1378 and the 27th day of May, 1959.

#### LAW NO. (1) OF 1961 FOR INDEMNIFICATION OF NOTES AND COINS NOT BEARING COAT OF ARMS OF IRAQI REPUBLIC

In the Name of the People  
The Sovereignty Council

After perusal of the Interim Constitution and pursuant to the proposal of the Minister of Finance and with the approval of the Council of Ministers have approved the following Law:

#### ARTICLE 1

The Central Bank of Iraq, or whomever it authorizes, may indemnify - at their nominal value - notes and coins which do not bear the Coat of Arms of the Iraqi Republic and which will cease to be legal tender for the making of payments as from the date specified in Republican Ordinance No. 415 of 1960.

#### ARTICLE 2

This Law shall come into force on 6th January, 1961 and shall cease to apply at the end of office hours on 31st January, 1961.

#### ARTICLE 3

The Minister of Finance is charged with the execution of this Law.

Made at Baghdad this 17th day of Rejab, 1380 and the 4th day of January, 1961.

**REPUBLICAN ORDINANCE NO. 459**

In accordance with Article 8 of Republic of Iraq Currency Law No. 92 of 1959 and pursuant to the proposal of the Minister of Finance, we have issued this Republican Ordinance:

**ARTICLE 1**

Notes of ten dinars, five dinars, one dinar, half dinar and quarter dinar issued by the Central Bank of Iraq shall be in the form and shall bear the devices, words and figures and shall be authenticated as is prescribed below:

- (a) The notes shall be rectangular in form and of the following dimensions:

<u>DENOMINATION</u>	<u>SIZE IN MILLIMETRES</u>
10 Dinars	178 X 92
5 Dinars	165 X 85
1 Dinar	153 X 78
$\frac{1}{2}$ Dinar	140 X 72
$\frac{1}{4}$ Dinar	128 X 66

- (b) The face of the notes contains the following details:

- (i) Details common to all the denominations mentioned in the preceding paragraph:—

At the top - the words "Central Bank of Iraq" in Arabic. On the right - the picture of the Coat of Arms of the Republic of Iraq.

On the left - a blank space containing the watermarked Arms of Iraq in the case of one dinar, half dinar and quarter dinar notes, and the symbol of the immortal Revolution created by Law No. 101 of 1959 in the case of ten dinar and five dinar notes.

At the top right and left bottom corners - the serial number of the note in Arabic letters and figures.

In the centre - the denomination in words in Arabic and below the following words in Arabic:

"Currency Note Issued Under the Law".

- (ii) Each of the denominations mentioned in paragraph (a) above contains the following special details:—

**TEN DINARS**

In each of the four corners - the figures "10" in Arabic figures.

**FIVE DINARS**

On the left and right sides of the upper half and also on the bottom left and right corners the figure "5" in Arabic. At the top left and bottom right corners - the words "Five Dinars" in Arabic.

**ONE DINAR**

In each of the four corners - the figure "1" in Arabic figures.

**HALF DINAR**

In the top left and bottom right corners - the figure " $\frac{1}{2}$ " in Arabic figures.

**QUARTER DINAR**

In the two top corners and bottom right corner the figure " $\frac{1}{4}$ " in Arabic figures.

- (c) The back of the notes contains the following details:—

- (i) Details common to all the denominations mentioned in paragraph (a) above with the words "Central Bank of Iraq" at the top.

- (ii) Special details are as follows:—

**TEN DINARS**

In each of the four corners - the figure "10" in English figures. On the left side - the words "10 Dinars" in English. In the centre - the picture of an Assyrian winged Bull and immediately below this the words "Ten Dinars" in English.

**FIVE DINARS**

In each of the four corners - the figure "5" in English figures. On the left side - the words "Five Dinars" in English. In the centre a picture of Hammourabi receiving the Code from the God of Justice.

## ONE DINAR

In the two top corners - the figure "1" in English figures. On the left side - the words "1 Dinar" in English. At bottom right and left - a picture of the Statue of the Babylon Lion. In the centre - the picture of the Lyre of Ur and immediately below this the words "One Dinar" in English.

## HALF DINAR

In each of the four corners - the figure " $\frac{1}{2}$ " in English figures. On the left side - the words " $\frac{1}{2}$  Dinar" in English. In the centre - the picture of the remains of the Big Mosque and of the Malwiyah Minaret of Samarra.

## QUARTER DINAR

At the top on left and right - the figure " $\frac{1}{4}$ " in English figures. On the left side - the words " $\frac{1}{4}$  Dinar" in English. At the bottom the words "Quarter Dinar" in English. In the centre a picture of Date Palms.

## ARTICLE 2

The notes of ten dinars, five dinars, one dinar, half dinar and quarter dinar are authenticated on the face by the signature of the Governor.

## ARTICLE 3

This Ordinance shall not invalidate notes in circulation and issued under Law No. 44 of 1931 and amendments thereto and described in Royal Iradas issued thereunder until the issue of the Republican Ordinance or Ordinances provided for in Article 9 of Republic of Iraq Currency Law No. 92 of 1959.

## ARTICLE 4

The notes provided for in this Ordinance shall begin to be used on any day preceding 14th July 1959.

## ARTICLE 5

This Ordinance shall come into force from the date of its publication in the Official Gazette.

## ARTICLE 6

The Minister of Finance is charged with the execution of this Ordinance.

Made at Baghdad this 28th day of Dhil Hijjah, 1378 and the 4th day of July, 1959.

## REPUBLICAN ORDINANCE NO. 460 OF 1959

In accordance with Article 6 of Republic of Iraq Currency Law No. 92 of 1959 and pursuant to the proposal of the Minister of Finance we have issued this Republican Ordinance:

## ARTICLE 1

100 Fils and 50 Fils coins shall be minted by the Central Bank of Iraq.

## ARTICLE 2

The 100 fils and 50 fils coins shall be of a silver alloy, the fineness of which shall be 500 parts of pure silver in 1000 parts. The 100 fils coin shall be of a weight of 10 grammes, and the 50 fils coin of 5 grammes.

## ARTICLE 3

The face of the coins shall contain the Coat of Arms of the Republic of Iraq and their back the words "Republic of Iraq" at the top and the Christian and Hijrah dates in the bottom, surrounded by two palms and in the centre a small circle containing, in the case of the 100 fils coin, the words "100 Fils" and in the case of the 50 Fils coin the words "50 Fils".

## ARTICLE 4

The edges of the said coins shall be milled. The diameter of the 100 fils coin shall be 29 millimetres and that of the 50 fils coin 23 millimetres.

## ARTICLE 5

This Ordinance shall not invalidate coins in circulation which were issued under law No. 44 of 1931 and its amendments and which were described in Iradas and Regulations issued thereunder, until the issue of the Ordinance or Ordinances provided for in Article 7 (6) of Iraqi Republic Currency Law No. 92 of 1959.

## ARTICLE 6

This Ordinance shall come into force on any day before 14th July 1959.

## ARTICLE 7

The Minister of Finance is charged with the execution of this Ordinance.

Made at Baghdad this 29th day of Dhil Hijja, 1378 and the 5th day of July, 1959.

**REPUBLICAN ORDINANCE NO. 649 OF 1959**

In accordance with Article 6 of Republic of Iraq Currency Law No. 92 of 1959 and pursuant to the proposal of the Minister of Finance we have issued this Republican Ordinance:

**ARTICLE 1**

In addition to the coins prescribed by Republican Ordinance No. 460 dated 5th July, 1959, 25 Fils, 10 Fils, 5 Fils and 1 Fils coins shall be minted by the Central Bank of Iraq.

**ARTICLE 2**

The 25 Fils coin shall be of a silver alloy the fineness of which shall be 500 parts of pure silver in 1000 parts. The 10 and 5 fils coins shall be of a nickel alloy at a ratio of 250/1000 nickel and 750/1000 copper. The 1 Fils coin shall be of bronze. The 25 Fils coin shall be of a weight of 2.5 grammes, the 10 Fils coin of 6.75 grammes, the 5 Fils coin of 5 grammes and the 1 Fils coin of 2.5 grammes.

**ARTICLE 3**

The face of the coins prescribed in Article 1 of this Ordinance shall contain the Coat of Arms of the Republic of Iraq and their back the words "Republic of Iraq" at the top and the Hijrah and Christian dates in the bottom, surrounded by two palms and in the centre a small circle containing the words "25 Fils", "10 Fils" "5 Fils" and "1 Fils" respectively.

**ARTICLE 4**

The edge of the 25 Fils coin shall be milled and its diameter 20 millimetres. The edge of the 10 Fils and 5 fils coins shall be scalloped with 12 scallops and their diameters 26 and 22 millimeters respectively. The edge of the 1 Fils coin shall be ten sided and its diameter 19 millimeters on the inside.

**ARTICLE 5**

This Ordinance shall not invalidate coins in circulation which were issued under Law No. 44 of 1931 and its amendments and which were described in Regulations and Iradas issued thereunder, until the issue of the Ordinance or Ordinances provided for in paragraph 6 Article 7 of Republic of Iraq Currency Law No. 92 of 1959.

**ARTICLE 6**

This Ordinance shall come into force from the date of its publication in the Official Gazette.

**ARTICLE 7**

The Minister of Finance is charged with the execution of this Ordinance.

Made at Baghdad this 16th day of Rabi al-Awal, 1379 and the 19th day of September, 1959.



**REPUBLICAN ORDINANCE NO. 415 OF 1960**

In accordance with Article 7 (6) and Article 9 of Republic of Iraq Currency Law No. 92 of 1959 and pursuant to the proposal of the Minister of Finance, we have issued this Republican Ordinance.

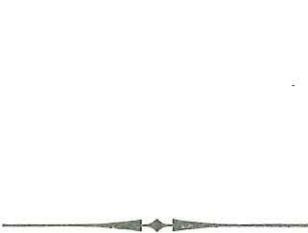
**ARTICLE 1**

All coins and notes in circulation under the laws and regulations in force which do not bear the Coat of Arms of the Republic of Iraq shall cease to be legal tender as from 6th January, 1961.

**ARTICLE 2**

The Minister of Finance is charged with the execution of this Ordinance.

Made at Baghdad this 17th day of Muharram, 1380 and the 2nd day of July, 1960.

**REPUBLICAN ORDINANCE NO. 422 OF 1960**

In accordance with Article 7 of Republic of Iraq Currency Law No. 92 of 1959 and pursuant to the proposal of the Minister of Finance, we have issued this Republican Ordinance.

**ARTICLE 1**

Officials and employees of the Government and authorized officials of the banks who receive coins which they believe to have been illegally dealt with as laid down in paragraph (4) of Article 7 of Republic of Iraq Currency Law No. 92 of 1959 shall seize such coins and send them to the Central Bank of Iraq. The Governor of the Central Bank or the person authorized by him may, if he is satisfied that they have been illegally dealt with, cut, break up, destroy or remint them provided that he pays compensation to the owner unless his bad faith is established.

**ARTICLE 2**

This Ordinance shall come into force from the date of its publication in the Official Gazette.

**ARTICLE 3**

The Minister of Finance is charged with the execution of this Ordinance.

Made at Baghdad this 18th day of Muharram 1380 and the 13th day of July 1960.



**REGULATION NO. 27 OF 1960 PRESCRIBING  
THE REMEDIES OF THE SILVER, CUPRONICKEL  
AND BRONZE COINS OF THE REPUBLIC OF IRAQ**

In the Name of the People  
The Sovereignty Council

In accordance with Article 6 of Republic of Iraq Currency Law No. 92 of 1959, and pursuant to the proposal of the Minister of Finance hereby order the promulgation of the following Regulation :—

**ARTICLE 1**

Coins of the Republic of Iraq shall be subject to the following remedies as regards weight and metal composition :—

<u>Denomination</u>	<u>Weight</u>	<u>Composition</u>
100 fils	Plus or minus 5 grammes in 1000 grammes.	Plus or minus $\frac{1}{2}\%$ of weight of pure silver on 30 pieces.
50 fils	Plus or minus 7 grammes in 1000 grammes.	Plus or minus $\frac{1}{2}\%$ of weight of pure silver on 60 pieces.
25 fils	Plus or minus 9 grammes in 1000 grammes.	Plus or minus $\frac{1}{2}\%$ of weight of pure silver on 120 pieces.
10 fils	Plus or minus 7 grammes in 1000 grammes.	Plus or minus 1% of copper and plus or minus 1% of nickel.
5 fils	Plus or minus 8 grammes in 1000 grammes.	Plus or minus 1% of copper and plus or minus 1% of nickel.
1 fils	Plus or minus 12 grammes in 1000 grammes.	Plus or minus 1% of copper.

**ARTICLE 2**

Previous regulations prescribing the remedies of the old coins shall remain in force until such coins are withdrawn from circulation by Ordinance.

**ARTICLE 3**

This Regulation shall come into force as from the 8th day of July, 1959.

**ARTICLE 4**

The Minister of Finance is charged with the execution of this Regulation.

Made at Baghdad this 24th day of Shawwal, 1379 and the 20th day of April, 1960.

**FOREIGN EXCHANGE**

**EXCHANGE CONTROL**

Exchange Control Law No. 19 of 1961.

Law No. 87 of 1964 Supplement to Exchange Control Law No. 19 of 1961.

Notification No. 1 Issued by the Directorate of Foreign Exchange in the Central Bank of Iraq in Execution of Article 3 of Exchange Control Law No. 19 of 1961.

Notification No. 2 Issued by the Directorate of Foreign Exchange in the Central Bank of Iraq in Execution of Paragraph 4 of Article 4 of Exchange Control Law No. 19 of 1961.

Notification No. 3 Issued by the Directorate of Foreign Exchange in the Central Bank of Iraq in Accordance with Paragraph 1 of Article 6 of Exchange Control Law No. 19 of 1961.

Notification No. 4 Issued by the Directorate of Foreign Exchange in the Central Bank of Iraq in Accordance with Paragraph 4 of Article 7 of Exchange Control Law No. 19 of 1961.

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**EXCHANGE CONTROL LAW NO. 19 OF 1961**

In the Name of the People  
The Sovereignty Council

After perusal of the Interim Constitution and pursuant to the proposal of the Minister of Finance and with the approval of the Council of Ministers, do hereby ratify the following Law:—

**ARTICLE 1**

The following expressions shall have the meanings shown thereagainst:—

- (1) "Board" - the Board of Administration of the Central Bank of Iraq.
- (2) "Foreign Exchange" - any currency, cheque, bill or promissory note, payment order, credit or balance of account payable in other than Iraqi currency.
- (3) "Licensed Dealer" - a person authorized by the Board to deal in foreign exchange.

**ARTICLE 2**

- (1) For the purpose of the administration and control of foreign exchange, all powers and duties prescribed in this Law shall be entrusted to the Board.
- (2) The Board may delegate to the Governor of the Central Bank of Iraq or a Committee to be formed by them or an official to be appointed by them, the powers prescribed in this Law excepting the powers laid down in Article 16 and 17.
- (3) The Board may delegate the powers mentioned in Articles 16 and 17 to a Committee to be presided by the Governor or a member of the Board.

**ARTICLE 3**

For the purpose of this Law, the Board shall from time to time prescribe the conditions for regarding a person as resident or non-resident.

**ARTICLE 4**

- (1) No person shall buy, sell, lend or borrow any foreign ex-

change or effect any gift or other transaction involving foreign exchange except from or to a Licensed Dealer or with a special permission from the Board.

- (2) No payment shall be made in Iraqi currency to a non-resident person against foreign exchange except with the permission of the Board.
- (3) No resident person shall, except with the permission of the Board, acquire from or sell to any non-resident person any shares, bonds or securities or otherwise put him in possession of any shares, bonds or securities.
- (4) No resident person shall, except with the permission of the Board and for such period as may be specified by them in a notification to be published in the Official Gazette:
  - (a) maintain an account in his books or records in the name of a non-resident person;
  - (b) maintain an account in the books or records of a person outside Iraq;
  - (c) hold any foreign exchange belonging to the person referred to in paragraphs (a) and (b).

#### ARTICLE 5

- (1) Foreign exchange and gold may be brought into or sent to Iraq without limitation and without the need for a prior permission from the Board unless the Board prescribe otherwise in a notification to be published in the Official Gazette.
- (2) No person shall, except with the permission of the Board, take or send out of Iraq any foreign exchange, Iraqi currency notes, postal orders, gold, shares, bonds or securities.

#### ARTICLE 6

- (1) Any resident person having in his possession or at his disposal foreign exchange shall offer it for sale to a licensed dealer in accordance with such instructions as may be issued by the Board. The Board may from time to time issue notifications to be published in the Official Gazette specifying the nature of the foreign exchange which is not subject to the obligatory offer for sale under this paragraph.
- (2) The Board may determine in a notification to be published in the Official Gazette the maximum value of gold bullion

and coins and unworked gold which a resident person may possess, and the Board may prescribe in such notification the period during which an excess over the said limit may be possessed and the method of its disposal.

- (3) The use of gold in goldsmithing and for other industrial purposes may be regulated by a Regulation to be issued under Article 18 of this Law.

#### ARTICLE 7

- (1) No person shall export goods of any description from Iraq unless he has satisfied the Board that the value of the goods will return to Iraq in a useful manner within a period to be prescribed by the Board.
- (2) Any person exporting goods in accordance with paragraph (1) of this Article shall not do or refrain from doing any act with intent to secure:
  - (a) that the sale of the goods is delayed to an extent which is unreasonable having regard to the ordinary course of trade.
  - (b) that on the sale of such goods any payment made for the goods is not made in accordance with paragraph (1) of this Article.
- (3) Where goods having been exported in accordance with paragraph (1) of this Article are not sold within the period prescribed by the Board and the Board are satisfied that the owner of the goods has not taken the necessary steps for their sale within a reasonable additional period, the Board may issue such directions as they consider appropriate for ensuring the sale of the goods and the return of their value to Iraq in a useful manner.
- (4) The Board may, in a notification to be published in the Official Gazette, exempt any foreign country from the provisions of this Article.

#### ARTICLE 8

The Board shall allocate the foreign exchange required for payments arising out of imports and other transactions, in accordance with the monetary reserve position and in conformity with the development of the national economy.

## ARTICLE 9

- (1) The Board may require any person, within such time and in such manner as may be specified by them, to furnish to them or to some person designated by them any information in his possession or under his control, for the purpose of enforcing the provisions of this law.
- (2) Every person shall, in such manner as may be specified by the Board, furnish to the Central Bank of Iraq information in connection with any right accruing to him or obligation falling on him as a result of the export or import of goods or services.
- (3) In addition to the information shown in paragraph (2) of this Article, the Board may require any resident person to furnish information relating to the following properties, rights and obligations:
  - (a) all claims, assets, shares, securities and other movable and immovable properties owned by the said person and existing outside Iraq.
  - (b) all properties being in his possession and belonging to a nonresident person.
  - (c) all his debts and other obligations outside Iraq.
- (4) No resident person shall dispose of the properties and rights mentioned in paragraphs (3-a) and (3-b) of this Article except with the permission of the Board.

## ARTICLE 10

- (1) A Licensed Dealer shall not do any act with which he is charged under this Law, except in accordance with the powers delegated by the Board to the Licensed Dealer.
- (2) The licence granted by the Board to a Licensed Dealer shall specify the kinds of the currencies in which he is allowed to deal as well as the kinds and conditions of the transactions which he is allowed to effect, and the Licensed Dealer shall not effect any transaction except in conformity therewith.
- (3) The Board may revoke the licence if they are satisfied that the licence has not conformed to the provisions of this Article.

## ARTICLE 11

Before doing any transaction mentioned in this Law, a Licensed Dealer shall require from the owner of the transaction any declarations and information which may be necessary to satisfy him that the transaction is one which he is entitled to do and to ascertain the real purpose of the transactions.

## ARTICLE 12

If a Licensed Dealer should refuse an operation on the ground that it is not permitted, the person concerned may refer the matter to the Board whose decision shall be final.

## ARTICLE 13

A Licensed Dealer shall furnish to the Board particulars of operations in foreign exchange, in such manner and at such times as the Board may specify.

## ARTICLE 14

The Governor of the Central Bank of Iraq may by written order authorize any person or persons to supervise the business of Licensed Dealers and to inspect their books at any time at regular intervals or otherwise in order to ensure that their operations are carried out in accordance with the provisions of this Law and the Regulations and Instructions issued thereunder.

## ARTICLE 15

The Central Bank of Iraq may levy a commission, to be fixed by instructions to be issued by them, on all or some of the transactions to which this Law applies, provided that such commission shall not exceed 5 fils per Dinar.

## ARTICLE 16

- (1) If any person contravenes the provisions of this Law, or the Regulations, Instructions or Notifications issued thereunder, or smuggles or attempts to smuggle any foreign exchange, currency, shares, securities or gold or any other property or right covered by their provisions, in any manner whatsoever, he shall be punished with imprisonment for a term not exceeding five years or with a fine not exceeding 10,000 Dinars or six times the value of the foreign exchange, currency, shares, securities, gold property or right concerned, whichever is the greater, or he shall be liable to both imprisonment and the fine.

- (2) The Board may decide to confiscate the foreign exchange, currency, shares, securities, gold, property or right concerned which is the subject of the offence in addition to the other penalties prescribed in this Article.
- (3) The Board may impose the fine and the confiscation or only either of them but if the Board consider that the offence committed warrants the penalty of imprisonment only or in addition to the fine and the confiscation, they may refer the case to the Court who may impose the penalty of imprisonment provided for in paragraph (1). The Court may also impose the fine or the confiscation or both or impose all these penalties together.
- (4) The fines imposed by the Board shall be collected in accordance with the Law for the Collection of Debts Due to the Government, but if it is not possible to collect them owing to the fact that the sentenced person has no properties, the Board shall send a copy of their decision to the Criminal Judge who shall substitute imprisonment for the fine.
- (5) Decisions issued by the Board in respect of fines and confiscation shall, at the request of the sentenced person, be liable to Cassation at the Court of Cassation within 15 days from the date of service of the Judgement. Decisions issued by the Criminal Court shall, at the request of the sentenced person or the Board, be liable to Cassation at the Court of Cassation within 15 days from the date of service of the judgement.
- (6) The Board may grant rewards to those who assist in the detection of acts which are contrary to the provisions of this Law, provided that the reward shall not exceed 25 per cent of the fine collected.

#### ARTICLE 17

In addition to the penalties provided for in Article 16 of this Law, the Board may deprive, temporarily or permanently, the person who has contravened the provisions of this Law, from carrying out any transaction in foreign exchange and may prevent the Licensed Dealers from carrying out such transaction for him.

#### ARTICLE 18

Regulations may be issued to facilitate the carrying out of the provisions of this Law.

#### ARTICLE 19

- (1) Exchange Control Law No. 18 of 1950 and its amendments (Law No. 16 of 1952 and Law No. 39 of 1959) are hereby repealed, provided that the regulations, instructions and notifications issued thereunder shall remain in force until they are replaced by others unless such regulations, instructions and notifications conflict with the provisions of this Law.
- (2) Transactions and actions taken thereon under the said Laws shall be deemed to be valid unless they conflict with the provisions of this Law.

#### ARTICLE 20

This Law shall come into force from the date of its publication in the Official Gazette.

#### ARTICLE 21

The Ministers are charged with the execution of this Law.

Made at Baghdad this 26th day of Ramadhan, 1380 and the 13th day of March 1961.



**LAW No. 87 OF 1964 SUPPLEMENT TO  
EXCHANGE CONTROL LAW NO. 19 OF 1961**

In the Name of People  
Presidency of the Republic

Pursuant to the provisions of the Interim Constitution and with the approval of the Council of Ministers and the National Council for Revolutionary Command, have approved the following Law:—

**ARTICLE 1**

- (1) Subject to the provisions of paragraphs 2 and 3 of this Article, a duty at the rates stated below shall be levied on the equivalent in Iraqi Dinar of the foreign exchange amounts granted to the person who leaves Iraq or resides abroad, whatever the reasons of his residence may be:

<u>Foreign Exchange Amount</u>	<u>Rate of Duty</u>
500 Dinars and below	8%
Over 500 Dinars	12%

- (2) The following amounts shall be exempted from duty according to the age of the transferee. These amounts shall not be regarded as part of the amounts subject to duty under paragraph 1 of this Article.

<u>Age of Transferee</u>	<u>Amount of Exchange Exempted from Duty</u>
18 years and over	150 Dinars
less than 18 years and more than 5 years	75 Dinars
5 years and below	25 Dinars

- (3) Amounts transferred for the account of persons studying outside Iraq or deputed on official missions and foreigners shall be exempted from duty annually. Iraqis' wives and husbands of Iraqi women who hold a non-Iraqi nationality shall not be regarded as foreigners for the purposes of this law.

**ARTICLE 2**

The amount of each transfer shall be the basis for the calculation of the duty. If more than one transfer is issued

for the same transferee in any calender year, the amounts transferred during any calender year shall be added up and the duty be levied on the total.

**ARTICLE 3**

- (1) The Licensed Dealer carrying out the transfer transaction shall levy the duty due and shall pay it over to the Central Bank of Iraq within one week as from the date of collection of the duty according to the instructions issued by the Central Bank of Iraq for this purpose.
- (2) The yield of the duty shall be credited to the Treasury's account with the Central Bank of Iraq.

**ARTICLE 4**

The Central Bank of Iraq shall refund the duty to the transferee for each amount on which he has already paid the duty and which he has brought back to Iraq unutilized provided that he- or whoever he authorizes - submits a written application for this purpose to the Central Bank of Iraq within three months from the date on which the transferee has returned to Iraq. The duty shall not be refunded if it is claimed after the expiry of the said period.

**ARTICLE 5**

Nothing in this Law conflicts with the provisions of Exchange Control Law No. 19 of 1961 or any law replacing it.

**ARTICLE 6**

- (1) The Central Bank of Iraq shall issue the instructions to Licensed Dealers regarding the fixing of the maximum limit of the amount of transfer issued for a single person and the method of levying the duty and transferring it to him and implementing the exemptions prescribed in paragraph 3 of Article 1 of this law.
- (2) The maximum limit of foreign exchange amount issued by a licensed dealer-without prior approval of the Central Bank of Iraq shall not exceed 1000 Dinars for each person excluding persons mentioned in paragraph 3 of Article 1.

### ARTICLE 7

The Minister of Finance may issue the necessary instructions facilitating the execution of the provisions of this law.

### ARTICLE 8

This Law shall come into force seven days after the date of its publication in the Official Gazette.

### ARTICLE 9

The Minister of Finance is charged with the execution of this law.

Made at Baghdad this 5th Day of Safar, 1384 and the 16th Day of June 1964.



### **NOTIFICATION NO. 1**

Issued by the Directorate of Foreign Exchange in the Central Bank of Iraq in execution of Article (3) of Exchange Control Law No. 19 of 1961.

#### **Definitions of Resident and Non Resident :**

Every Licensed Dealer must observe the following rules in establishing residence in Iraq or otherwise in the case of individuals and juristic persons who deal with him :—

#### **FIRSTLY**

A natural person is regarded as resident in Iraq in the following cases :—

- (1) If he holds Iraqi Nationality and has a permanent place of abode in Iraq.
- (2) If he holds Iraqi Nationality and maintains no permanent place of abode in Iraq but :
  - (a) visits Iraq for a period or periods amounting to six months each year after 31/12/1957.
  - (b) has in the past visited Iraq year after year during the four years preceding 1958 and for periods of not less than three months each.
- (3) If he holds Iraqi Nationality but resides abroad by order of the Iraqi Government or other Iraqi bodies or for another lawful reason and also members of his family who reside with him abroad.
- (4) If he holds a foreign nationality but resides in Iraq for not less than one year.
- (5) Refugees who have no home abroad to which they can return and do not hold permits to emigrate from Iraq.

#### **SECONDLY**

- (1) In cases other than those mentioned under (firstly) above, a person is regarded as non-resident in Iraq.
- (2) Persons who hold a foreign nationality and have a temporary place of abode in Iraq arising from deputation as member or employee of a diplomatic consular or official commercial section and also members of their families who reside with them in Iraq are regarded as non-resident in Iraq even if the period of their residence in Iraq exceeds one year.

- (3) In case of doubt the decision as whether a person is to be treated as resident or non-resident in Iraq rests with the Central Bank of Iraq, and in such case the Licensed Dealer must furnish the Central Bank of Iraq with the following documents and information about that person:
1. His passport.
  2. His profession.
  3. His intention to reside in Iraq or outside Iraq temporarily or definitely.

#### **THIRDLY**

The Central Bank of Iraq may treat any person who fulfils one of the conditions mentioned under (firstly) above as non-resident if he has not maintained a place of abode in Iraq after 31st December, 1957 and the Central Bank of Iraq is satisfied that when he last left Iraq he left with the definite intention of abandoning it permanently.

#### **FOURTHLY**

- (1) A juristic person should be regarded as resident in Iraq if he is registered in Iraq and fulfils his obligations under Iraqi laws even if his central management and control is outside Iraq.
  - (2) The Central Bank of Iraq may in special cases decide to treat the juristic person mentioned in paragraph (fourthly-1) above as non-resident.
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#### **NOTIFICATION NO. 2**

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Issued by the Directorate of Foreign Exchange in the Central Bank of Iraq in execution of Paragraph (4) of Article (4) of Exchange Control Law No. 19 of 1961.

#### **FIRSTLY**

No resident person shall maintain an account in his books or records in the name of a non-resident person except with the permission of the Central Bank of Iraq and in accordance with the following conditions:—

- (1) The period of operation of the account should not exceed two years.
- (2) The resident should apply to the Directorate of Foreign Exchange in the Central Bank of Iraq one month before the period of the account expires, otherwise the account will be considered as closed with the expiry of its period.
- (3) The resident person should submit a monthly statement of the account to the Directorate of Foreign Exchange in the Central Bank of Iraq.

#### **SECONDLY**

No resident person shall maintain an account in the books or records of a person outside Iraq except with the permission of the Central Bank of Iraq and in accordance with the following conditions:—

- (1) The period of operation of the account should not exceed two years.
- (2) The resident person should apply to the Directorate of Foreign Exchange in the Central Bank of Iraq one month before the period of the account expires, otherwise the account will be considered as closed with the expiry of its period.
- (3) The resident person should submit a monthly statement of the account to the Directorate of Foreign Exchange in the Central Bank of Iraq.

#### **THIRDLY**

- (a) No resident person shall hold any foreign exchange belonging to a non-resident person except with the permission of the Central Bank of Iraq and in accordance with the following conditions:—

- (1) The period of holding the foreign exchange should not exceed two years.
  - (2) The resident person should apply to the Directorate of Foreign Exchange in the Central Bank of Iraq one month before the expiry of the period of the permission for holding the foreign exchange, otherwise the permission will be considered as cancelled with the expiry of its period.
  - (3) The resident person should submit to the Directorate of Foreign Exchange in the Central Bank of Iraq a monthly statement showing the details of the foreign exchange held by him.
- (b) No resident person shall keep with a non-resident person any foreign exchange except with the permission of the Central Bank of Iraq and in accordance with the following conditions :—
- (1) The period of keeping the foreign exchange should not exceed two years.
  - (2) The resident person should apply to the Directorate of Foreign Exchange in the Central Bank of Iraq one month before the expiry of the period of the permission for holding the foreign exchange, otherwise the permission will be considered as cancelled with the expiry of its period.
  - (3) The resident person should submit to the Directorate of Foreign Exchange in the Central Bank of Iraq a monthly statement showing the details of the foreign exchange held abroad.

#### **FOURTHLY**

Resident persons who were permitted before the date of this notification to carry on the operations mentioned in paragraphs firstly, secondly, and thirdly above should apply to the Directorate of Foreign Exchange in order to obtain the required permission in accordance with the conditions mentioned above.

#### **FIFTHLY**

We draw attention to our Notification No. (1) concerning the definition of resident and non-resident, which was published in the Official Gazette No. 519 dated 2nd May 1961.

#### **NOTIFICATION NO. 3**

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Issued by the Directorate of Foreign Exchange in the Central Bank of Iraq in accordance with paragraph (1) of Article (6) of Exchange Control Law No. 19 of 1961.

- 1. No foreign currency notes may be sold or bought or otherwise disposed of except by or through a Licensed Dealer.
- 2. The Saudi and Iranian Currencies are excepted from the provisions of paragraph (1) above.



**NOTIFICATION NO. 4**

Issued by the Directorate of Foreign Exchange in the Central Bank of Iraq in accordance with Paragraph (4) of Article (7) of Exchange Control Law No. 19 of 1961.

**Subject: Exemption of Exports of Dates and Other Commodities from Foreign Exchange Formalities**

1. Exports of dates to the following countries shall be exempted from foreign exchange formalities if exported by sailing craft:

Countries of the Arabian Gulf (except Iran) - Makla - Muscat - Lahaj - Aden - Oman - India.

2. Exports of dates to Saudi Arabia and Iran through their nationals who enter Iraqi territories for provisioning shall be exempted from foreign exchange formalities.
3. Exports of goods permitted to be exported from Iraq to Saudi Arabia and Iran through their nationals who enter Iraqi territories for provisioning shall be exempted from foreign exchange formalities.

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**CONTROL OF BANKING**

## CONTROL OF BANKING

1. Law for the Control of Banking No. 97 (A) of 1964.
  2. Instructions (1-5) Issued in Accordance with Law for the Control of Banking No. 97 (A) of 1964.
  3. Nationalization of Commercial Banks Law No. 100 of 1964 as Amended.
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**LAW FOR THE CONTROL OF  
BANKING NO. 97 (A) OF 1964**

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In the Name of the People  
Presidency of the Republic

Pursuant to the provisions of the Interim Constitution and with the approval of the Council of Ministers and the National Council of Revolutionary Command, the following Law has been approved:

**ARTICLE 1**

In this Law the following expressions shall have the following meanings:

1. **Banking**: The acceptance of deposits and their utilization together with the other resources for investment in whole or in part by lending or by any other means permitted by this Law for account and at the risk of the depository.
2. **Bank**: An institution licensed by the Central Bank of Iraq to deal in banking in accordance with this Law, provided that it is a Limited Company, and also Government institutions which use the title of Bank or are permitted to carry on banking business under special laws. All the branches of a Bank in Iraq shall be deemed to be one Bank for the purposes of this Law unless otherwise provided in this Law.
3. **Sarraf**: A person or company licensed by the Central Bank of Iraq to deal in banking- as a sarraf- in Iraq in accordance with this Law.
4. **Deposits**: Amounts declared in any currency and deposited with the Bank or Sarraf which are repayable on demand or after a notice or on a specified date of maturity, including:
  - a. Deposits relating to all depositors resident or non-resident in Iraq.
  - b. Amounts deposited by a Sarraf with a Bank.
  - c. Amounts deposited by a Sarraf with another Sarraf.
  - d. Government moneys deposited or whose period of deposit is extended or renewed after the coming into force of this Law, excluding:

- a. Deposits in Iraqi currency against the opening of credits.
- b. Amounts deposited against the issue of guarantees.
- c. Foreign currencies deposited with a Bank in Iraq as a cover for credits opened.
- d. Deposits of a branch of one of the Banks in Iraq placed with another branch of the same Bank.
- 5. **Cash in Hand:** Iraq currency notes and coins held in the treasury of the Bank or Sarraf in Iraq and the deposits of the Bank or Sarraf with the Central Bank of Iraq plus or minus net Dinar balances with Banks or Sarrafs in Iraq.
- 6. **Capital:** Paid-up capital.
- 7. **Central Bank of Iraq:** The Board of Administration of the Central Bank of Iraq or anyone authorized by the Board to carry out the functions entrusted to them under this Law.

#### ARTICLE 2

1. No banking business shall be carried on in Iraq except after obtaining a licence from the Central Bank of Iraq. A separate licence should be obtained for each branch opened in Iraq.
2. The title of Bank or Sarraf shall not be used except by the party licensed by the Central Bank of Iraq to carry on banking business.
3. Banks as defined in this Law shall use the title of Bank, and they alone may use this title in their name or in describing their business.
4. Sarrafs as defined in this Law shall use the title of Sarraf, and they alone may use this title in their name or in describing their business.
5. In describing his business, a Sarraf may not use the word Bank singly or with other words.

#### ARTICLE 3

1. The Central Bank of Iraq may direct the Banks and Sarrafs to do their best to promote and develop the savings of the public and to use their own funds and those deposited with them in a manner compatible with the need for developing the national economy.

2. The Central Bank of Iraq may require any Bank or Sarraf to submit any information in connection with attainment of the purposes stated in paragraph (1) above. The Central Bank of Iraq may hold a meeting with the Management of any Bank or Sarraf or the Managements of all Banks or Sarrafs to discuss their activities.
3. Under a special regulation and within the limits prescribed therein, the Central Bank of Iraq may ask for all information relative to the facilities granted by the Banks and Sarrafs to their clients, provided that all the necessary measures be taken to maintain the secrecy of such information.

#### ARTICLE 4

Subject to the provisions of the other Articles of this Law, the Central Bank of Iraq may grant a licence for carrying on banking business when one of the following conditions is fulfilled:

1. A Bank established in Iraq as a limited company whose paid-up capital in Iraq is not less than ID. 250,000.
2. A Bank established abroad as a public limited company and carrying on banking business in Iraq through its branch, provided that the capital issued and paid-up to its branch or branches in Iraq be not less than ID. 500,000.
3. Iraqi Government institutions permitted to carry on banking business under special laws.
4. A Sarraf whose paid-up capital relating to his banking business is not less than the following amounts:

In Baghdad	ID.20,000
In Basrah	ID.15,000
In Mosul	ID.10,000
In other districts of Iraq	ID. 5,000

5. The Central Bank of Iraq may give the Banks and Sarrafs licensed before the coming into force of this Law a period of grace not exceeding 6 months to bring their paid-up capital to the limits prescribed in paragraphs (2) and (4) of this Article.

## ARTICLE 5

1. A Sarraf must be an Iraqi or an Arab.
2. A licence shall not be granted for the establishment of a foreign bank unless 51% of its capital is owned by Iraqis.
3. The Central Bank of Iraq may exempt from the provisions of the preceding paragraph the non-Iraqi Arab Banks whose capital is owned by Arabs.
4. The provisions of paragraph (2) above shall not apply to Banks licensed before the coming into force of this Law.

## ARTICLE 6

1. A Bank wishing to obtain a licence to deal in banking business in Iraq should submit to the Central Bank of Iraq a statement showing the following:
  - a. Address of the Bank, country in which it was established, the place where its head-office is situated and a certified copy of its Memorandum and Articles of Association.
  - b. The authorized capital of the Bank with the paid-up portion thereof and reserves.
  - c. Country or countries in which it has a branch or branches and the date of their opening.
  - d. The paid-up capital allotted to its branch or branches in Iraq.
  - e. The latest balance sheet, if it had previously carried out banking business.
  - f. Any other information the Central Bank of Iraq may call for.
2. A foreign bank wishing to obtain a licence for its branch or branches to carry on banking business in Iraq must give the Central Bank of Iraq a written undertaking to fulfil all the financial obligations of its branch or branches in Iraq in case of their default.
3. A Bank having more than one branch in Iraq should submit a statement showing the name of the head office in Iraq empowered to represent these branches in their relations with the Central Bank of Iraq.

4. The Bank shall notify the Central Bank of Iraq of the changes which take place in the information furnished in accordance with paragraph (1) of this Article, within a period not exceeding 30 days from the date of such changes.
5. a. No Bank shall reduce its capital paid-up in Iraq except with the approval of the Central Bank of Iraq, subject to the limits prescribed in Article 4.
- b. If the capital of a Bank is reduced for reasons beyond its control, it must:
  1. Inform the Central Bank of Iraq immediately.
  2. Take all measures to raise the capital to the limit approved by the Central Bank of Iraq, subject to the provisions of Article 4 above, within a period not exceeding 3 months.
- c. The Central Bank of Iraq may withdraw the licence granted to a branch or branches of a Bank established abroad if the head office abroad reduces its paid-up capital.

## ARTICLE 7

1. Whoever wishes to obtain a licence as a Sarraf should submit the following information to the Central Bank of Iraq:
  - a. His full name and address, the place of his residence or the places of his business.
  - b. His paid-up capital and reserves.
  - c. Nature of the business which he carries on in Iraq, whether banking or otherwise.
  - d. A statement of account, prepared in accordance with the details to be specified by the Central Bank of Iraq, showing all amounts and movable and immovable properties in his possession or at his disposal as well as all debts owed to him by others and all sums and debts owed by him to others on the date of application for a licence.
  - e. Any other information the Central Bank of Iraq may call for.
2. a. The Sarraf shall notify the Central Bank of Iraq of any change which takes place in the information furnished in accordance with sub-paragraphs (a), (b),

- (c) and (d) of the first paragraph of this Article, within a period not exceeding 30 days from the date of such change.
- b. The Central Bank of Iraq may enquire about any change in the information furnished under paragraph (d) of this Article whenever they think it appropriate. The Sarraf shall furnish the required information within 10 days from the date of receiving such enquiry.
- 3. No Sarraf shall reduce his capital paid-up in Iraq except with the permission of the Central Bank of Iraq, subject to Article 4 above.
- 4. If the capital of a Sarraf is reduced for reasons beyond his control, he shall :
  - a. Inform the Central Bank of Iraq immediately.
  - b. Take all measures to raise the capital to the limit approved by the Central Bank of Iraq, subject to the provisions of Article 4 above, within a period not exceeding three months.

#### ARTICLE 8

- 1. No Bank shall accept deposits for amounts the total of which exceeds sixteen times the total of its paid-up capital and reserves unless, within 10 days from the date of accepting such additional deposits in the case of a Bank that has a branch or branches in Iraq and within 5 days in the case of a Bank that does not have a branch or branches in Iraq, this Bank :—
  - a. Deposits the whole excess amount in cash with the Central Bank of Iraq, or
  - b. Increases its paid-up capital or reserves or both by an amount sufficient to comply with the provisions of paragraph (1) above.
- 2. No Sarraf shall accept deposits for amounts the total of which exceeds 7 times the total of his paid-up capital and reserves unless, within 10 days from the date of accepting such additional deposits in the case of a Sarraf outside Baghdad Liwa and within 5 days in the case of a Sarraf inside Baghdad Liwa, this Sarraf :
  - a. Deposits the whole excess amount in cash with the Central Bank of Iraq, or

- b. Increases his paid-up capital or reserves or both by an amount sufficient to comply with the provisions of paragraph (2) above.
- 3. The Central Bank of Iraq may reduce the proportion mentioned in paragraph (1) of this Article to a limit not less than eight times, and the proportion mentioned in paragraph (2) of this Article to a limit not less than three times, and may increase them again to any proportion not exceeding the two proportions mentioned in the said two paragraphs.

#### ARTICLE 9

- 1. A Bank or Sarraf must hold assets the total of which covers 100% the total deposits and the total of the paid-up capital, reserves and other liabilities.
- 2. a. The Central Bank of Iraq may fix the amount of all or some of the assets specified in paragraph (3) of this Article which all Banks and Sarrafs or a group of Banks and Sarrafs or any Bank or Sarraf must hold as cover for deposits placed with them, provided that such amount be expressed as a proportion or proportions to the total deposits. The Central Bank of Iraq may alter such proportion or proportions from time to time.
  - b. The Central Bank of Iraq may except the non-commercial Government Banks from the provisions of paragraphs (2) and (3) of this Article.
- 3. The specified assets referred to in paragraph (2) of this Article shall be as follows :—
  - a. Moneys deposited by a Bank or Sarraf with the Central Bank of Iraq.
  - b. Other monetary assets.
  - c. Amounts at call in Iraq.
  - d. Treasury bills and bonds of the Iraqi Government with the Central Bank of Iraq.
  - e. Treasury bills and bonds of the Iraqi Government.
  - f. Inland bills and promissory notes bearing at least two good signatures.
  - g. Banking balances and amounts at call in foreign countries held under paragraph (5) of this Article.

- h. Bills bearing at least two good signatures and drawn on or payable at any place in a foreign country, whose maturity does not exceed 120 days (excluding the days of grace) and which have resulted from Iraq's foreign trade.
  - i. Any other assets prescribed by the Central Bank of Iraq.
4. The Central Bank of Iraq shall notify the Banks and Sarrafs at least one month before changing the proportions prescribed under paragraph (2) of this Article.
5. a. No Bank or Sarraf shall hold assets declared in a foreign currency as cover for his paid-up capital and reserves except with the approval of the Central Bank of Iraq.
- b. No Bank or Sarraf shall hold assets declared in a foreign currency except to the extent permitted under the Exchange Control Law in force in Iraq.

#### ARTICLE 10

- 1. a. No Bank or Sarraf in his banking business shall buy immovable properties except in so far as may be necessary for the purposes of conducting his business and housing his staff or in so far as such properties are acquired by him as a result of the settlement of debts due to him, with the exception of what is permitted to Government non-commercial banks under their special laws.
  - b. The Bank or Sarraf shall sell the immovable properties acquired by him as a result of the settlement of a debt or otherwise dispose of them within a period not exceeding one year from the date of acquisition. This period may, with the approval of the Central Bank of Iraq be extended for unavoidable reasons with which it is satisfied.
2. No Bank shall engage in the wholesale or retail trade, including the import or export trade, whether for its own account or on commission basis, or be a partner or shareholder in any industrial, agricultural, commercial undertaking or in insurance, transport or warehousing enterprises except when it is so permitted by Law. If the par-

- tnership or share holding is acquired by the Bank as a result of the settlement of due debts, it must be sold or disposed of within the period prescribed in paragraph (1-b) of this Article.
3. Except with the permission of the Central Bank of Iraq, no Sarraf shall engage in the wholesale or retail trade, including the import or export trade, whether for his own account or on a commission basis or be a partner or a shareholder in any industrial, agricultural or commercial undertaking or in insurance, transport or warehousing enterprises. If the partnership or share holding is acquired by the Sarrafs as a result of the settlement of due debts, it must be sold or disposed of within the period prescribed in paragraph (1-b) of this Article.
- ARTICLE 11**
1. a. No Bank or Sarraf shall make an advance or grant a credit facility or give a financial guarantee to any person, or carry out any transaction for him which constitutes a financial liability on the Bank or Sarraf for amounts aggregating more than 20% of the Bank's or Sarraf's paid-up capital and reserves, provided that the total unguaranteed facilities granted by the Bank or Sarraf to all his clients under this paragraph shall not exceed 40% of the total paid-up capital, reserves and deposits. The Central Bank of Iraq may increase this percentage to a limit not exceeding 60% of the total paid-up capital, reserves and deposits.
- b. With the approval of the Central Bank of Iraq, the 20% mentioned in paragraph (1-a) may be increased if the excess is secured by gold, the possession of which is permitted by Law, deposits, bonds and Treasury bills of the Iraqi Government bonds guaranteed by the Minister of Finance, merchandise, or against shipping documents relating to such merchandise placed at the disposal of the Bank or Sarraf, or by any other security satisfactory to the Central Bank of Iraq.
- c. The Central Bank of Iraq may when necessary limit or reject the grant of the facilities provided for in this Article to persons or institutions to be prescribed by a special decision.

2. The provisions of paragraph (1) of this Article shall not apply to loans and advances granted to Government and Semi-Government departments. They shall also not apply to transactions between the Banks and Sarrafs or between the branches of a Bank.
3. Except with the approval of the Central Bank of Iraq, no Bank or Sarraf shall buy his own shares or invest his moneys in the shares of another Bank or Sarraf, nor shall he grant an advance or a credit against the security of his shares, or grant an unguaranteed advance or credit to any member of his Board of Directors or to any institution in which any member of his Board of Directors has an interest in his capacity as partner, chairman, director, manager, agent or guarantor of the institution.
4. No Bank or Sarraf shall make loans to his officials or employees or grant them a credit facility or stand surety for them or carry out any transaction for them which constitutes a financial liability on the Bank or Sarraf for amounts aggregating in any particular case more than one complete year's salary and allowances unless the transaction is made on the security of property or against a claim realized or settled by the Bank or Sarraf for the official himself.
5. If a Bank or Sarraf had, prior to the coming into force of this Law, undertaken an investment or made a loan or granted an advance, a credit facility or a guarantee or stood surety or carried out any other transaction contrary to the provisions of this Article, such Bank or Sarraf shall submit a statement thereon to the Central Bank of Iraq when this Law comes into force, and shall within six months from the date on which this Law comes into force terminate such investment, loan, credit facility, guarantee, advance, surety or other transaction.
6. The Central Bank of Iraq may fix a minimum percentage or percentages for the cash deposits which Banks must collect from their clients as deposits for documentary credits opened, and may require the Banks to place all these deposits or any proportion thereof with the Central Bank of Iraq.

#### ARTICLE 12

Deposits shall be treated as privileged debts to the extent of 100% of the principal and shall for payment of that extent rank prior to all other debts of the Bank or Sarraf. It is not permitted to delay repayment of deposits for any reason whatever, with due regard to the term and conditions specified for repayment.

#### ARTICLE 13

Every Bank or Sarraf must, after providing for all Iraqi taxes, allot not less than 20% of his net profits to reserves as long as reserves are less than half the paid-up capital. If these reserves equal half or more than half the capital, not less than 10% of the net profits must be allotted to them until the reserves reach 100% of the capital. The Bank or Sarraf shall not reduce the reserves accumulated in this or any other manner, except with the approval of the Central Bank of Iraq.

#### ARTICLE 14

1. Every Bank shall publish a consolidated annual Balance Sheet and Profit and Loss Account for all its branches in Iraq within a period not exceeding one month from the date on which they are passed at the annual general meeting.
2. The Bank or Sarraf shall prepare a half yearly and an annual Balance Sheet in Iraqi Currency showing his assets and liabilities, supported by subsidiary statements to be prescribed by the Central Bank of Iraq, together with a Profit and Loss Account, and shall submit same to the Central Bank of Iraq under the signature of the manager or managers of the Bank or Sarraf within two months from the end of the period to which they relate.
3. Where several branches of a Bank exist, the Balance Sheet and subsidiary statements required under paragraph (2) of this Article shall be prepared in a consolidated manner by the head office of that Bank and submitted to the Central Bank of Iraq under the signature and on the responsibility of the manager or managers of those branches.

#### ARTICLE 15

The Bank or Sarraf shall, in addition to the requirements of Article 14 of this Law submit to the Central Bank of Iraq on

or before the 10th day of each month a statement of his assets and liabilities as at the end of the previous month together with such subsidiary schedules as the Central Bank of Iraq may prescribe. These shall be rendered for each head-office and each branch of a Bank separately.

#### ARTICLE 16

The Central Bank of Iraq may determine the items to be shown in the annual, half yearly, subsidiary schedules and monthly statements required under paragraphs (2) and (3) of Article 14 and Article 15 of this Law. The Central Bank of Iraq may also ask the Bank or Sarraf to furnish them with such additional information or schedules as they determine from time to time.

#### ARTICLE 17

1. The annual Balance Sheet and Profit and Loss Account mentioned in paragraph (1) of Article 14 must be certified by Chartered Accountants approved by the Central Bank of Iraq.
2. The Central Bank of Iraq may require that the annual and half yearly Balance Sheets, Profit and Loss Accounts, monthly statements and the additional information or schedules specified in paragraphs (2) and (3) of Article 14 and in Articles 15 and 16 of this Law be certified by Chartered Accountants approved by the Central Bank of Iraq.

#### ARTICLE 18

The Governor of the Central Bank of Iraq may authorize by a written order a person or persons to supervise the business of the Banks and Sarrafs, examine their accounts and inspect their books at any time at regular intervals or otherwise so as to ensure that their operations are carried out in accordance with the provisions of this Law, and submit a report thereon.

#### ARTICLE 19

The yearly and half-yearly Balance Sheets, Profit and Loss Accounts, subsidiary schedules and the other information required by the Central Bank of Iraq under Article 3, paragraph (1-e) of Article 7 and Article 14, 15, 16, 17 and 18 of this Law shall be treated as confidential, excluding those provided

for in paragraph (1) of Article 14 of this Law, and shall not be disclosed to any person other than official departments, except with the written approval of the Bank or Sarraf or in a manner which would not specifically disclose figures or information relating to any Bank or Sarraf.

#### ARTICLE 20

1. The Bank or Sarraf shall furnish the Central Bank of Iraq within a period of not less than six months before the expiry of 15 years with a list showing trust property in kind, deposits and debts unclaimed by their lawful owners and specifying the nature of such property, deposits and debts as well as any sums realized thereon and the names of the owners and their last place of residence, if known.
2. The Central Bank of Iraq shall make appropriate enquiries to trace the owners of these trust properties, deposits and debts or their legal representatives, in order that delivery may be made to them, and if they are not traced within six months from the expiry of the 15 years, the trust properties, deposits and debts shall be handed over to the Government Treasury.

#### ARTICLE 21

1. No Bank or Sarraf shall liquidate his business or close any of his branches except with the approval of the Central Bank of Iraq. The Bank or Sarraf may appeal to the Council of Ministers against the decision of the Central Bank of Iraq in each case within 15 days from the date on which the decision is notified. The decision of the Council of Ministers shall be final.
2. If a Bank or Sarraf decides to liquidate his business or close all or some of his branches in accordance with paragraph (1) of this Article or if his licence is finally withdrawn, he shall deliver to the lawful owners all deposits, trust properties and valuable things held by him, and pay all debts outstanding against him or liquidate such debts in a manner which satisfied their lawful owners, before completing the operation of closing. If any deposits and other liabilities remain unpaid or any trust properties or valuable things remain undelivered, they or their equivalent shall be transferred or handed over to the Central Bank of Iraq, who shall be responsible for delivering them to the lawful owners.

## ARTICLE 22

1. No Bank or Sarraf shall employ non-Iraqis except in such posts as the Central Bank of Iraq may determine.
2. No person shall, on his own behalf or on behalf of an establishment or other persons, be a member of more than one Board of Directors of a licensed Bank or Sarraf in Iraq.

## ARTICLE 23

Banks and Sarrafs shall close for business on Fridays and on days on which Government departments close for legal holidays. Transactions made during these days shall be treated as illegal, except those so permitted by the Central Bank of Iraq.

## ARTICLE 24

A fine not exceeding 2000 Dinars shall be imposed on anyone who:

1. Refuses or fails to furnish the information required by paragraph (4) of Article 6 and paragraph (2) of Article 7 on the prescribed dates.
2. Refuses or fails to submit the Balance Sheets and Profit and Loss Accounts or the subsidiary statements and schedules or the other information referred to in Articles 14, 15 and 16, or has prepared them contrary to the provisions of Article 17.
3. Contravenes the provisions of paragraph (3) of Article 3.
4. Contravenes the provisions of Articles 22 and 23.

## ARTICLE 25

A fine not exceeding 5000 Dinars or an imprisonment for a term not exceeding two years or both penalties shall be imposed on anyone who:

1. Prevents the deputed person, or persons, from carrying out the duties entrusted to him under Article 18.
2. Contravenes the provisions of Articles 2, 10, 11, 12 and 13.
3. Refuses to submit the lists and deliver the trust properties and deposits referred to in Articles 20 and 21.

4. Accepts deposits aggregating more than the proportion laid down in Article 8, subject to the provisions of that Article, or fails to maintain cover in the manner and proportions shown in Article 9.

5. Contravenes the instructions issued by the Central Bank of Iraq regarding the fixation of the rate of interest and commission.

## ARTICLE 26

If the contraventions mentioned in Articles 24 and 25 are repeated, the offender shall be punished with a fine not exceeding 10,000 Dinars or with imprisonment for a term not exceeding five years or with both penalties.

## ARTICLE 27

The Central Bank of Iraq may, in addition to the penalties provided for in this Law, decide to withdraw the licence of the Bank or Sarraf condemned for contravening this Law, after the judgement has reached the final stage. The withdrawal of the licence shall be either temporary or permanent. The Bank or Sarraf may appeal to the Council of Ministers against the decision of the Central Bank of Iraq within 15 days from the date of notification of the decision. The decision of the Council of Ministers shall be final.

## ARTICLE 28

Criminal proceedings for the enforcement of the penalties prescribed in the preceding Articles shall be instituted at the Central Bank of Iraq against the person actually administering the Bank or the Sarraf business or against the manager or managers of the branch or against the manager or managers of the head-office and also against the heads of the sections concerned which committed the contravention.

## ARTICLE 29

1. No person authorized by the Central Bank of Iraq to obtain any confidential information relating to any Bank or Sarraf may disclose such information to other than the legal authorities, or publish or give any information prejudicial to a Bank or Sarraf or any of his clients

2. The Central Bank of Iraq shall refer offenders against the provisions of paragraph (1) of this Article to the Courts, and the court may punish the offender with a fine not exceeding ID.500 or with imprisonment for a term not exceeding one year or with both penalties.

#### ARTICLE 30

The provisions of this Law shall apply to all Banks and Sarrafs licensed in Iraq before the coming into force of this Law.

#### ARTICLE 31

Regulations and instructions may be issued to facilitate the carrying out of this Law.

#### ARTICLE 32

Law for the Control of Banking No. 34 of 1950 and amendments thereto and Regulations issued thereunder are hereby repealed. Actions taken under it shall remain in force unless they conflict with the provisions of this Law.

#### ARTICLE 33

This Law shall come into force from the date of its publication in the Official Gazette.

#### ARTICLE 34

The Ministers of Finance and Justice are charged with the execution of this Law.

Made at Baghdad this 2nd day of Rabi Al-Awal, 1384 and the 12th day of July, 1964.

#### INSTRUCTIONS NO. 1

To All Licensed Bankers in Iraq

Subject: Article 4 of Law for the  
Control of Banking No. 97 (A)  
of 1964

In accordance with the provisions of paragraph 5 of Article 4 of Law for the Control Banking No. 97 (A) of 1964, it has been decided by this Bank to give the sarrafs who do not fulfil the conditions stated in paragraph 4 of Article 4 a period of grace not exceeding 6 months from the date of carrying out of this Law to bring their paid-up capital to the limits prescribed in the abovementioned paragraph.

Governor



## INSTRUCTIONS NO. 2

To All Licensed Bankers in Iraq

Subject: Paragraph (3-j) of Article 9 of  
Law for the Control of Banking  
No. 97 (A) of 1964

In accordance with the provisions of paragraph 3-J of Article 9 of Law for the Control of Banking No. 97 (A) of 1964, it has been decided to deem the overdraft balances of guaranteed and non-guaranteed current accounts as among the assets which the Banks may hold as cover to the deposits with them in execution of the provisions of paragraph (2) of Article 9 of the abovementioned Law.

Governor

## INSTRUCTIONS NO. 3

To All Licensed Bankers in Iraq

Subject: Article 9 of Law for the  
Control of Banking No. 97  
(A) of 1964

Firstly: In accordance with the provisions of paragraph 2 of Article 9 of Law for the Control of Banking No. 97 (A) of 1964, this Bank has decided to fix the minimum percentages of assets specified below which all Banks and Sarrafs must hold as cover for deposits with them:

	Percentage of total deposits
(1) Moneys deposited by a Bank or Sarraf with the Central Bank of Iraq.	10%
(2) Other monetary assets.	5%
(3) Treasury bills or bonds of the Iraqi Government with the Central Bank of Iraq.	5%

Secondly: Licensed Bankers may hold the other assets in accordance with paragraph 3 of Article 9 at the percentages specified by them.

Thirdly: Monthly statements provided for in Article 15 of the said Law shall be taken into consideration when the percentages stated in paragraph "Firstly" above are calculated.

Fourthly: The nominal value of Treasury bills and bonds of the Iraqi Republic mentioned above shall be followed when the percentages required above are calculated.

Fifthly: These instructions shall be carried out as from 15/7/1964.

Governor

## INSTRUCTIONS NO. 4

To All Licensed Bankers in Iraq

Subject: Article 11 of Law for the  
Control of Banking  
No. 97 (A) of 1964

In accordance with the provisions of paragraph 1—a of Article 11 of Law for the Control of Banking No. 97 (A) of 1964, this Bank has decided the following:

- Firstly: To limit the percentage of total unguaranteed facilities granted by the Bank or Sarraf to all his clients to a percentage not exceeding 60% of the total paid-up capital, reserves and deposits.
- Secondly: If the percentage of total facilities exceeds the 60% mentioned in Firstly above, the excess must be guaranteed in accordance with paragraph 1 — b of Article 11 of the abovementioned Law.
- Thirdly: These instructions shall come into force from the date of execution of the abovementioned Law.

Governor



## INSTRUCTIONS NO. 5

To All Licensed Bankers in Iraq

Subject: Paragraph 1 of Article 22 of  
Law for the Control of Bank-  
ing No. 97 (A) of 1964

In accordance with the provisions of paragraph (1) of Article 22 of Law for the Control of Banking No. 97 (A) of 1964.

- Firstly: This Bank has decided to specify the following posts in which the Bank or Banker may appoint non-Iraqi nationals:
  - 1. Regional or general manager.
  - 2. Manager of a branch, trainer, controller, expert or director of accounts.
- Secondly: Posts stated in paragraph 2 of Firstly above shall not be occupied for a period exceeding three successive years.
- Thirdly: The scientific and banking qualifications must be fulfilled by those whom the banks apply for approval to their appointment.
- Fourthly: Arab non-Iraqi nationals are exempt when necessary from the above provisions provided that the approval of this Bank is taken in each case separately.

Governor

**NATIONALIZATION OF COMMERCIAL BANKS**  
**LAW NO. 100 OF 1964**

In the Name of the People  
 Presidency of the Republic

Pursuant to the provisions of the Interim Constitution and with the approval of the Council of Ministers and the National Council of Revolutionary Command, the following Law has been promulgated:

**ARTICLE 1**

All non-Government banks operating in Iraq, including branches of foreign banks, shall be nationalized and their ownership including the movable and immovable properties registered in their names or in the names of their head-offices abroad — if they are foreign — shall revert to the State.

**ARTICLE 2**

- (a) The Nationalized Banks shall maintain their present legal forms and shall continue to carry on their activities on this basis pending the issue of a special legislation.
- (b) The state shall be responsible for the Banks' former obligations within the limits of the assets and rights which reverted to it on the date of Nationalization.

**ARTICLE 3**

- (a) Share-holders of the Nationalized Iraqi Banks and the head-offices of the branches of foreign banks operating in Iraq and nationalized shall be compensated by par value bonds on the state maturing after 15 years from the date of publication of this Law and bearing interest at 3% per annum. These bonds shall be negotiable.
  - (b) The Government may redeem these bonds wholly or in part at their par value by lot at a public meeting at any time it chooses provided that a notice to this effect be published in the Official Gazette at least two months prior to the date specified.
  - (c) The Government may authorize the Public Organization for Banks to compensate holders of nationalized shares in the manner approved by the Council of Ministers without being restricted to the period referred to by paragraph (a) of the said Article. (\*)
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- (\*) Amended by Law No. 84 of 1965, Amending Nationalization of Commercial Banks Law No. 100 of 1964, Article 1.

- (d) 25% of the net profits of the Nationalized Banks shall be allotted for the compensation of bond holders. Priority shall be given to holders of bonds not exceeding 500 Dinars in value in such manner as may be decided by the Public Organization for Banks. (\*)

**ARTICLE 4**

Nationalization price of each share of the Nationalized Banks shall be fixed according to the latest share list at the Rafidain Bank, or on the basis of the book value of the net assets at the date of Nationalization, whichever is less.

**ARTICLE 5**

There shall be established a Public Organization to be called "Public Organization for Banks" and shall have a Juristic personality and administrative and financial independence. It shall have its headquarters in Baghdad. The Commercial Nationalized Banks and Government Commercial Banks existing before the issue of this Law shall be attached thereto.

The aims of the Public Organization for Banks shall be as follows:—

- (1) Supervision of all Nationalized Banks including Government Commercial Banks existing before the issue of this Law or which will be established later.
- (2) Submission of periodical reports to the Central Bank of Iraq and to the Ministry of Finance on the working of the Organization and the Banks attached thereto and such proposals whose execution it considers necessary to ensure that the Banks perform their duties, carry out the instructions of the Central Bank of Iraq and apply the Law for the Control of Banking.
- (3) Sanction of the Annual Balance Sheets and Profit and Loss Account of the Banks attached thereto together with the reports of the chartered accountants and submission thereof to the Central Bank of Iraq for approval.

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(\*) Amended by Law No. 7 of 1965. Amending Nationalization of Commercial Banks Law No. 100 of 1964. Article 1.

## ARTICLE 7

For the achievement of the aims stated in Article 6 above, the Organization may adopt such various means as may be necessary therefor, including:

- (1) Establishment of commercial banks for the purposes of economic development.
- (2) The right to borrow, with the approval of the Central Bank of Iraq, from the Government, semi-official institutions, foreign banks, foreign governments and bodies and international organizations. It shall also have the right to lend in general within the limits of the Law for the Control of Banking as well as the right to borrow from the Central Bank of Iraq.

## ARTICLE 8

Loans concluded by the Organization with Governments and international organizations shall be ratified by a Law.

## ARTICLE 9

The Organization may with the approval of the Central Bank of Iraq amalgamate any Nationalized Bank with another in accordance with the public interest.

## ARTICLE 10

The Organization shall be administered by a Board of Directors comprising Governor of the Central Bank of Iraq as ex-officio chairman, Deputy Governor as Vice chairman and the General Managers of the Nationalized Banks and other Government Banks attached thereto as members.

## ARTICLE 11

The Central Bank of Iraq shall appoint and/or remove the Managers, General Managers, delegated and deputed to the Banks attached to the Organization and shall determine their powers and duties. The Central Bank of Iraq may relieve the chairman and all or some of the members of their Boards of Directors of their duties and may appoint a provisional Board. It shall have the right to grant the delegated General Managers or the deputed members the powers of the Boards of Directors pending the determination of the establishments of the Public Organization for Banks and their responsibilities.

## ARTICLE 12

The Governor of the Central Bank of Iraq may, with the approval of the Board of Administration of the Central Bank of Iraq delegate some or all of his powers to the Deputy Governor in accordance with the public interest and requirements of business.

## ARTICLE 13

The Central Bank of Iraq shall lay down an Internal Regulation for the Organization determining its establishments and the manner of administering them as well as the establishments of the Banks attached thereto and the rules of service therein.

## ARTICLE 14

- (a) Net profits of Banks attached to the Organization shall be transferred to the Organization and their total shall be distributed in the following manner and priority:
  - (1) Interest shall be paid to the share holders whose shares or their ownership have been converted into bonds under this Law.
  - (2) 25% of the total net profits, before deduction of the legal reserves, shall be allotted to the Nationalized Banks for the redemption of the bonds referred to in paragraph (1) of this Article.
  - (3) 25% of the total net profits, before deduction of the legal reserves, shall be allotted to the Ordinary Budget.
  - (4) The remainder shall be allotted to the Economic Plan.
- (b) If the total net profits referred to in paragraph (a) of this Article is not enough to pay the interest referred to in paragraph (1) thereof, the Government shall pay the amounts necessary therefor.
- (c) If the amounts allotted in paragraph (a-2) of this Article are not enough for payment of the value of bonds at the end of the period fixed for their redemption, the Government shall be obliged to pay it.

## ARTICLE 15

The Central Bank of Iraq may issue the instructions necessary for the carrying out of this Law.

**ARTICLE 16 (\*)**

- (a) The present officials and employees of the various Banks relating to the Organization shall continue to enjoy their present scales of pay and bonuses and to them shall apply the laws, regulations and rules which applied to them before joining the Organization, until such time as new consolidated service rules are laid down therefor in which their acquired rights would be maintained without being restricted by the laws and regulations applied to the Government officials and employees.
- (b) After the carrying out of this Law, provisions of the Law of Officials and Employees Pension Fund in effect in government and semi-government establishments and departments shall apply to officials and employees of the Organization and banks relating thereto subject to the following:
  - (1) Non-pension service of the official or employee prior to the execution of this Law of persons who work in the Organization and banks relating thereto, Economic Organization, institutions relating thereto as well as in government and semi-government departments shall be deemed pension service. Pension contributions and interest incurring thereon shall be paid from the amount accumulated in the account of the official or employee in the Superannuation Funds -if any - or from amounts already deducted from him or it will be paid by him directly including pension contributions equivalent, also balances of social security only which are transferred to the Pension Fund for the account of persons ensured as an exception from Article 35 of Social Security Law No. 27 of 1956 as amended by agreement between the Social Security Department and Directorate General of Pension Fund provided that pension service should not exceed 10 years.
  - 2. For the purposes of this Law, the nominal salary of the official or employee in service shall be fixed when this Law is carried out in accordance with the provisions of the rules of service provided for in paragraph (a) of this Article provided that it should not exceed

(\*) Amended by Law No. 50 of 1965, Amending Nationalization of Commercial Banks Law No. 100 of 1964, Article 1.

the maximum limit fixed for the salary in the service rules with the exception of special posts.

**ARTICLE 17**

The Governor of the Central Bank of Iraq or his Deputy, by a special authorization from the Governor, shall be given all the rights of the Central Bank of Iraq regarding the business of the Public Organization for Banks for a period not exceeding one month from the date of the coming into force of this Law.

**ARTICLE 18**

The present Managers General of the Nationalized Banks shall continue to exercise their present powers pending the issue of the resolutions by the Board determining them.

**ARTICLE 19**

Banks attached to the Organization shall be exempted from the provisions of Law Regulating the Profits of semi-Government Institutions.

**ARTICLE 20**

Banks attached to the Organization shall be subject to the provisions of the Law for the Control of Banking.

**ARTICLE 21**

Regulations may be issued for the realization of the aims of this Law.

**ARTICLE 22**

The Ministers are charged with the execution of this Law.

**ARTICLE 23**

This Law shall come into force as from July 14, 1964.

Made at Baghdad this 5th day of Rabi Al-Awal, 1384, and the 14th day of July, 1964.