

COALITION PROVISIONAL AUTHORITY ORDER NUMBER 93

ANTI-MONEY LAUNDERING ACT OF 2004

Pursuant to my authority as Administrator of the Coalition Provisional Authority (CPA), and under the laws and usages of war, and consistent with relevant U.N. Security Council resolutions, including Resolution 1483 and 1511 (2003),

Having worked closely with the Governing Council to ensure that economic change occurs in a manner acceptable to the people of Iraq,

Acknowledging the Governing Council's desire to bring about significant change to the Iraqi economic system,

Determined to improve the conditions of life for the Iraqi people by combating terrorism, financial crime, and fraud,

Realizing that effective deterrence and policing of terrorism, financial crime and fraud requires rigorous controls aimed at the heard of these illegal activities,

Recognizing the need for an effective legal framework regulating financial transactions,

Further recognizing the need to ensure the well-being of the Iraqi people and to enable the social functions and normal transactions of everyday life,

I hereby promulgate the following:

Section 1 Purpose

The purpose of the Anti-Money Laundering Law is to secure financial institutions and combat instability by criminalizing the acts of laundering money, financing crime, financing terrorism, and structuring certain transactions.

Section 2 Anti-Money Laundering Law

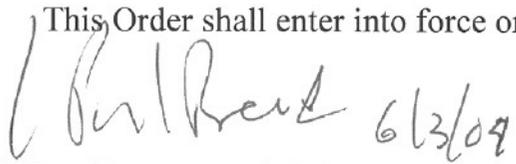
The Anti-Money Laundering Law attached to this Order as Annex A shall have the full force and effect of law.

Section 3
Inconsistent Legislation

Any provision of Iraqi law issued prior to the date of this Order that is inconsistent with this Order or Annex A is hereby suspended to the extent of such inconsistency.

Section 4
Entry into Force

This Order shall enter into force on the date of signature.

A handwritten signature in black ink, appearing to read "L. Paul Bremer", followed by the date "6/3/09". The signature is written in a cursive, somewhat stylized script.

L. Paul Bremer, Administrator
Coalition Provisional Authority

IRAQ**ANTI-MONEY LAUNDERING LAW OF 2004**

<i>Section 1: General Provisions</i>	2
Article 1: Declaration of Purpose.....	2
Article 2: Definitions.....	2
<i>Section 2: Penalties</i>	5
Article 3: Money Laundering.....	5
Article 4: Financing of Crime and Terrorist Financing	5
Article 5: Structuring transactions	6
Article 6: Property forfeiture.....	6
<i>Section 3: Supervision</i>	7
Article 7: Duties	7
Article 8: Right to Information	8
Article 9: Regulatory Enforcement	8
Article 10: Other powers.....	9
Article 11: Funding	9
Article 12: Money Laundering Reporting Office.....	9
<i>Section 4: Mutual Administrative Assistance</i>	10
Article 13: In General.....	10
Article 14: Central Bank of Iraq and Money Laundering Reporting Office.....	10
<i>Section 5: Obligations of Financial Institutions</i>	11
Article 15: Verification of the Identity of the Customer.....	11
Article 16: Identification of the Beneficial Owner of Funds	11
Article 17: Further Verification of Identity.....	12
Article 18: Further Verification of Purpose and Nature of Transactions.....	12
Article 19: Reporting Obligation	13
Article 20: Cash Transaction Reports	13
Article 21: Cross-Border Currency Reporting Requirement	14
Article 22: Obligation to Make and Retain Records.....	14
Article 23 Exclusion of Liability and “Whistleblower” Protection	15
<i>Section 6: Final Provisions</i>	16
Article 24: Execution	16
Article 25: Relationship to other laws of Iraq.....	16
Article 26: Entry into Force	16

Section 1: General Provisions

Article 1: Declaration of Purpose

This Anti-Money Laundering Law of 2004 (the "Law") governs financial institutions in connection with: money laundering; financing crime, financing terrorism; and the vigilance required of financial institutions in regard to financial transactions. The Law also makes it a crime to launder money, finance crime, finance terrorism, and structure transactions.

Article 2: Definitions

As used in this Act, unless otherwise indicated:

1. "Money laundering" refers to the acts described in Article 3.
2. "Financing of crime" refers to the acts described in Article 4.1.
3. "Terrorist financing" refers to the acts described in Article 4.2
4. "Structure a transaction" means to conduct or attempt to conduct a financial transaction with the intent to avoid a reporting requirement under this law or established pursuant to the provisions of Article 20 or 21.
5. "Financial institution" shall include the following:
 - a. banks;
 - b. the managers of investment funds;
 - c. insurance institutions, if they carry on direct life assurance business or offer or distribute shares in investment funds;
 - d. persons who trade in securities;
 - e. money transmitters, direct and indirect, and formal and informal, including persons who provide services related to payments, including but not limited to electronic transfers on behalf of third parties, and persons who issue or manage means of payment, such as credit cards and travelers checks, or persons who undertake hawala transactions;
 - f. foreign currency exchange houses, or any other entity that effects foreign exchange transactions on a regular basis above 15 million Iraqi dinar per week.
6. "Financial institution" shall also refer to persons who, on a professional basis, accept, keep on deposit, invest or transfer, or assist in the investment or transfer, of financial assets belonging to others. Such persons shall include, but not be limited to, those who:
 - a. undertake credit transactions (including consumer credit or mortgages, factoring, financing of commercial transactions or financial leasing);
 - b. trade, on their own account or for others, in bank notes or cash, money market

- c. instruments, currency, precious metals, raw materials for use in production of other items, commodities, or securities (bearer or other), and derivatives of any such tradable items;
- d. offer or distribute shares in funds, in the capacity of distributor of a domestic or foreign investment fund, or in the capacity of representative of a foreign investment fund;
- e. undertake asset management;
- f. make investments as investment adviser;
- g. keep or manage securities; and
- h. deal in precious metals, stones, or jewels.

The CBI may, by regulation, determine that the definition of financial institution applies only to entities above a specified size and designate other persons who shall also be considered financial institutions for purposes of this Act.

7. "Person" means a natural person or a juridical person.
8. "Customer" means a person to whom a financial institution provides a product or service, and includes a person who either holds or opens an account, as well as a person who receives a product or service from a financial institution that does not involve an account, such as cashing a check, sending a wire transfer, or selling a check or money order.
9. "Suspicious transaction" refers to a transaction, including but not limited to the opening of an account, if the financial institution knows, suspects, or has reason to suspect that:
 - a. the transaction involves funds derived from illegal activities or money laundering or the transaction is intended or conducted in order to evade any law or regulation or to avoid any transaction reporting requirement under any law or regulation, including but not limited to the requirements of Article 20 of this Act;
 - b. the transaction involves funds intended for financing of crime, including, but not limited to, terrorism;
 - c. the transaction involves funds or assets over which a criminal organization has power of disposal;
 - d. the transaction is designed to evade any requirements of this Law or any regulations or orders issued under the authority of this Act; or
 - e. the transaction has no apparent business or other lawful purpose or is not the sort in which the particular customer would normally be expected to engage, and the bank knows of no reasonable explanation for the transaction after examining the available facts, including the background and possible purpose of the transaction.
10. "Insurance institution" refers to an institution that underwrites or brokers insurance, or otherwise participates in the provision of insurance policies to any person.
11. "Insurance" refers to an agreement that requires one party to indemnify another against loss in return for premiums paid, whether or not the agreement also regards

an investment by the insured related to but in addition to the indemnification specified.

12. "CBI" refers to the Central Bank of Iraq.
13. "Reporting Office" and "MLRO" refer to the Money Laundering Reporting Office.
14. "Beneficial owner" means a person, whether or not named as the owner, who can effectively manage or direct the use of the funds in an account.
15. "Non-public," for the purpose of Article 14, means information or documents disclosed to or gathered by a body of the Government of Iraq, which information or documents is or are not commonly available or widely known in the public.
16. "Monetary instrument" means both Iraqi and foreign currency, bank notes, checks, promissory notes or other evidence of indebtedness, loans, traveler's checks, wire transfers, all negotiable instruments in such form that title passes upon delivery, all incomplete instruments signed but with the payee's name omitted, and securities or stock in bearer form or otherwise in such form that title passes upon delivery and any other items that the CBI may deem appropriate.
17. "1267 Committee" means the United Nations Security Council Committee established pursuant to paragraph 6 of United Nations Security Council Resolution 1267 (1999), which oversees the implementation by States of the sanctions imposed by the Security Council on individuals and entities belonging or related to the Taliban, Usama Bin Laden and the Al-Qaida organization and maintains a list of individuals and entities for this purpose.
18. "Former Iraqi Regime" means the Saddam Hussein regime that governed Iraq until on or about April 9, 2003.
19. "Development Fund for Iraq" means the fund established on or about May 21, 2003 on the books of the Central Bank of Iraq and all accounts held for the fund or for the Central Bank of Iraq in the name of the fund.
20. "Iraqi person" means any Iraqi citizen or any juridical person organized under the laws of Iraq.
21. "Foreign person" means a natural or juridical person that is not an Iraqi person.
22. "Other senior official" means an individual who had a position in a ministry, armed forces, governmental entity or semi-governmental entity during the time that the former regime was in power at the minister level or director general of a ministry level or the rank of at least brigadier general, or equivalent civilian or military position, and who was a full member of the Ba`ath Party holding the rank of 'Udw Qutriyya (Regional Command

Member), ‘Udw Far’ (Branch Member), ‘Udw Shu’bah (Section Member), or ‘Udw Firqah (Group Member).

23. ‘Immediate family member’ means spouse, father, mother, brother, sister, son, or daughter.

Section 2: Penalties

Article 3: Money Laundering

Whoever conducts or attempts to conduct a financial transaction that involves the proceeds of some form of unlawful activity knowing that the property involved is the proceeds of some form of unlawful activity, or

Whoever transports, transmits, or transfers a monetary instrument or funds that represent the proceeds of some form of unlawful activity knowing that the monetary instrument or funds represent the proceeds of some form of unlawful activity—

(a) With the intent to promote the carrying on of unlawful activity, to benefit from unlawful activity, or to protect from prosecution those who have engaged in unlawful activity; and

(b) Knowing that the transaction is designed in whole or in part—

(i) to conceal or disguise the nature, location, source, ownership, or control of the proceeds of unlawful activity; or

(ii) to avoid a transaction or other reporting requirement,

Shall be sentenced to a fine of not more than 40 million Iraqi dinar, or twice the value of the property involved in the transaction, whichever is greater, or imprisonment for not more than 4 years, or both.

Article 4: Financing of Crime and Terrorist Financing

1. **Financing of Crime** Whoever provides property, or conceals or disguises the nature, location, source, or ownership of property, knowing or intending that such property is to be used in preparation for, or in carrying out, a violation of law, or in preparation for, or in carrying out, the concealment of an escape from the commission of any such violation, or attempts or conspires to do such an act, shall be fined not more than 20 million Iraqi dinar, or imprisoned for not more than 2 years, or both.

2. **Terrorist Financing** Whoever provides, or invites another person to provide, property, support, or financial or other related services intending that it be used, or knowing that it will likely be used, in whole or in part, to carry out

a. An act or omission that provides a benefit to a terrorist group, or

b. Any other act or omission intended to cause death or serious bodily harm to a civilian or any other person not taking an active part in the hostilities in a situation of armed conflict, if the purpose of the act or omission is to intimidate the public or to compel a government or an international organization to do or refrain from doing any act,

shall be fined not more than 20 million Iraqi dinar, or imprisoned for not more than 2 years, or both.

3. "Property" for purposes of this Article includes but is not limited to currency, monetary instruments, and financial securities.

Article 5: Structuring transactions

Whoever—

- a. causes or attempts to cause a financial institution, as that term is used for purposes of that Act, to fail to file a report required under Article 20; or
- b. structures or assists in structuring, or attempts to structure or assist in structuring, any transaction with one or more financial institutions,

shall be fined not more than 10 million Iraqi dinar or imprisoned for not more than 1 year, or both.

Article 6: Property forfeiture

1. **Criminal Finance** Any court, in imposing sentence on a person convicted of an offense in violation of Articles 3, 4, 5, Article 19.4, or Article 20.5 of this Act, if the violation was committed intending to, or knowing that the likely result would be to, aid another person in the commission of a crime, or aid another person in the evasion of prosecution for a crime already committed, shall order the person to be sentenced to forfeit to the Government of Iraq any property, real or personal, including but not limited to funds, involved in the offense, or any property traceable to the property, or any property gained as a result of the offense, without prejudicing the rights of bona fide third parties.

2. Blocked Property

- a. Funds or other financial assets or economic resources (excluding real property, a claim for which falls within the jurisdiction of the Iraqi Property Claims Commission pursuant to CPA Regulation Number 8) that have been either removed from Iraq, or acquired, by Saddam Hussein or other senior officials of the former Iraqi regime and their immediate family members, including entities owned or controlled, directly or indirectly, by them or by persons acting on their behalf ("Ba'ath Party persons") or at their direction that are within or hereafter come within Iraq, are blocked. Property that is blocked may not be transferred, paid, exported, withdrawn, or otherwise dealt in. The Minister of Finance, with the approval of the Council of Ministers, is authorized to confiscate property that

is blocked pursuant to this Article 6.2 subject to a prior judicial, administrative, or arbitral lien or judgment issued by a court of competent jurisdiction, and subject to such rights of appeal as may be provided by law. All right, title, and interest in such confiscated blocked property shall promptly be transferred to the Development Fund for Iraq (DFI) or the successor to the DFI, if any. Should there be no successor to the DFI, such confiscated blocked property shall be transferred to the Ministry of Finance. Upon transfer to the DFI, its successor, or the Ministry of Finance (as appropriate), such confiscated blocked property shall be unblocked. Any transaction by an Iraqi or foreign person within Iraq that evades or avoids, has the purpose of evading or avoiding, or attempts to violate any of the prohibitions of this Article 6.2 is prohibited and shall constitute a money laundering violation under Article 3 of this Law. A person whose property is blocked pursuant to this Article 6.2 may appeal the action taken to the Financial Services Tribunal under Section 12 of the Central Bank of Iraq law.

- b. For purposes of this Article, a person is considered to be “acting on behalf of” another to the extent that the person is authorized by formal or informal contract to take significant actions for the other or, whether there is an agreement or not, the person takes significant actions for the benefit of the other as if they were the agent of the other. This Article 6.2 applies to funds, financial assets, or other economic resources that between July 17, 1968 and April 16, 2003 were: (i) confiscated, seized, or expropriated by the Ba’athist Government of Iraq or Ba’ath Party persons for reasons other than legitimate governmental purposes such as taxation, customs, anti-narcotics activities or enforcement of criminal penalties; or (ii) expropriated as a result of opposition to the Ba’athist Government of Iraq, or as a result of ethnicity, religion, sect of the owners, or for purposes of ethnic cleansing. Property owned by the Government of Iraq and/or occupied by acting government ministers or other acting government officials pursuant to a transaction that is lawful and has a legitimate governmental purpose (including reasonable compensation of governmental officials) shall not be subject to this Article 6.2.

Section 3: Supervision

Article 7: Duties

1. With respect to this Act, the Central Bank of Iraq (the "CBI") shall perform the following duties:
 - a. The CBI shall supervise compliance of financial institutions with their obligations under Section 5.
 - b. The CBI shall inform the financial institutions it supervises of their obligations under Section 5, and may issue regulations directing how they must comply. The regulations shall require all financial institutions to establish internal policies, procedures, and controls adequate for the institutions' businesses, and adequate employee training programs, and shall require banks and those other financial

- institutions that the CBI designates, to designate a compliance officer and an independent audit function to test the institution's AML program.
- c. The CBI shall issue and periodically update a list of financial activities which may constitute "suspicious transactions" for the purposes of this Act, including money laundering, financing crime, financing terrorism, transactions involving funds over which a criminal organization has a right of disposal, or transactions designed to evade reporting, recording, or other legal requirements. The CBI shall publish the list for the benefit of financial institutions.
 - d. The CBI shall have the authority to delegate its supervisory powers to other supervisory authorities set up by other Acts, in which case the CBI shall supervise the activities of those authorities, while retaining the authority, in the CBI's sole discretion, to act regarding any financial institution's obligations under Section 5. Any such authorities shall ensure that regulatory provisions applicable in their respective fields are substantively equivalent.
 - e. The CBI shall either perform on-site examinations of financial institutions for which it has direct responsibility, or, in the alternative, instruct an auditing body that the CBI designates to perform examinations and forward any reports of such examinations directly to the CBI.
 - f. The CBI shall compile and provide to financial institutions a list of individuals and institutions whose transactions the financial institutions are to report to the relevant body of the Government of Iraq upon discovery. The list shall include, but not be limited to, the New Consolidated List of Individuals and Entities Belonging to or Associated with the Taliban and Al-Qaida Organization as Established and Maintained by the 1267 Committee.
2. The CBI is authorized to create offices to execute any of its responsibilities as designated in this Act, and to promulgate regulations governing the manner in which those responsibilities are executed.

Article 8: Right to Information

The CBI is authorized to require financial institutions it supervises and the institutions' auditing bodies to provide to the CBI all information and documents needed for the performance of the CBI's duties.

Article 9: Regulatory Enforcement

1. If the CBI determines that a financial institution it supervises has violated this Law it may take appropriate enforcement measures. In particular, the CBI may:
 - a. issue an order to cease the activity resulting in the violation;
 - b. assess a monetary penalty under the provisions of the Central Bank of Iraq Law to the violating institution, or any person engaged in or participating in activity violating this Act;
 - c. publish the results of any enforcement action, including the name(s) of any persons involved;

- d. issue an order that a person found to have violated this Law or participated in a violation of this Law shall not be permitted to be involved in the affairs of a financial institution either permanently or temporarily;
 - e. withdraw authorization to act as financial institutions, if the institutions themselves or persons responsible for administering or managing their business are found to have seriously or repeatedly violated their obligations under this Act.
2. A person subject to an enforcement measure described in Article 9.1 may appeal the action taken to the Financial Services Tribunal under Section 12 of the Central Bank of Iraq law.

Article 10: Other powers

The CBI shall retain all other powers granted it under other Acts.

Article 11: Funding

The CBI may require payment or reimbursement from a financial institution it supervises for the cost of the CBI's supervisory activity under this Law (including the cost of legal, accounting, and auditing fees).

Article 12: Money Laundering Reporting Office

1. The CBI shall establish the Money Laundering Reporting Office, which shall be administratively subordinate to the CBI but shall retain operational independence. The Reporting Office shall:
 - a. collect, process, analyze, and disseminate information on financial transactions subject to financial monitoring and reporting;
 - b. participate in implementing Iraqi policy on preventing money laundering, financing of crime, and financing of terrorism;
 - c. cooperate and interact with and exchange information with Iraqi state authorities, competent bodies of other countries and international organizations on money laundering, financing of crime, and financing of terrorism;
 - d. represent Iraq, according to the established procedure, in international organizations dealing with preventing money laundering, financing of crime, and financing of terrorism.
2. The Reporting Office shall be staffed and funded separately from the CBI, but shall be administratively subordinate to the Governor of the CBI.
3. The Reporting Office shall verify information reported to it, and shall take such steps, and shall have the authority to take such steps, including but not limited to the promulgation of regulations by the CBI as are necessary in order to fulfill its duties under this Act.

4. If the MLRO reasonably suspects that a transaction, conducted or attempted, involves funds derived from illegal activities, money laundering, funds to be used in the financing of crime, funds that a criminal organization has a right of disposal over, terrorist financing, or that the transaction is otherwise in furtherance of an illegal purpose, it shall immediately notify the competent prosecuting and investigative authority.
5. The Reporting Office shall respond to any inquiry by a financial institution under Article 18 paragraph 2, within one week of the inquiry, by providing guidance to that institution as to how that institution should proceed. Guidance may include: informing the competent prosecutor's office, performing further research on the issues causing the financial institution's concern, filing a formal report of a suspicious transaction with the MLRO, or taking no action other than completing the transaction as requested by the customer. The guidance shall be binding upon the financial institution and all other affected parties.
6. No officer or employee of the CBI who learns of a suspicious transaction that has been reported may disclose to any person involved in the transaction that the transaction has been reported, other than as necessary to fulfill the official duties of the officer or employee.

Section 4: Mutual Administrative Assistance

Article 13: In General

1. The CBI and the Money Laundering Reporting Office may, in the CBI's discretion, provide information and documents to Iraqi governmental ministries, authorities, and agencies concerning matters governed by this Law and may request from Iraqi governmental ministries, authorities and agencies any information and documents the CBI believes may be useful or necessary to carry out the CBI's and MLRO's responsibilities under this Act
2. The prosecuting authorities shall notify the Reporting Office of all pending procedures relevant to this Law and of judgments and cases dismissed.
3. The Reporting Office shall inform the CBI of decisions by prosecuting authorities.

Article 14: Central Bank of Iraq and Money Laundering Reporting Office

The CBI and the Reporting Office may request foreign authorities responsible for supervision of financial institutions or markets, foreign financial intelligence units, or criminal or judicial prosecution authorities, to provide them with information and documents required for the performance of their duties. The CBI and the Reporting Office may share with such foreign authorities as are prepared to provide reciprocal services to the CBI and Reporting Office, information and documents, including non-public information and documents, within their discretion, related to or gathered pursuant

to this Act, for the purpose of preventing money laundering or the commission of crime, including but not limited to terrorist financing.

Section 5: Obligations of Financial Institutions

Article 15: Verification of the Identity of the Customer

1. Upon opening an account for a customer for any amount, or performing a transaction or series of potentially related transactions whose value is equal to or greater than 5 million Iraqi dinars for a non account holder, whether an individual or legal person, the financial institution involved should obtain and record the customer's: legal name and any other names used; correct permanent address including the full street address; telephone number, fax number, and e-mail address; date and place of birth; for a legal person, charter or other establishing document; nationality; occupation, public position held and/or name of employer; an official personal identification number or other unique identifier contained in an unexpired official document (e.g. passport, identification card, residence permit, driving license) that bears a photograph of the individual customer; type of account and nature of the banking relationship; and signature. The financial institution may determine the extent it uses these measures on a risk sensitive basis depending on the type of customer, business relationship or transaction, but shall verify all information collected.
2. Where a financial institution is performing a transaction for a non account holder and the total value of the transaction or series of possibly related transactions is less than 5 million Iraqi dinars, the financial institution need only collect and verify the customer's name and address.
3. A financial institution that has reason to know of a suspicious transaction must collect the information described in paragraph 1 even if the amount involved does not exceed the threshold amount.
4. The institution shall check the name of the customer against the list compiled by the CBI under Article 7.1.b of this law of individuals and institutions designated by the CBI for reporting to the Government of Iraq, and shall immediately report any matches to the relevant government body.
5. A financial institution shall take the action required by this article in retrospect, regarding any account established prior to the effective date of this Act, unless the financial institution reasonably believes that it knows the true identity of the customer.

Article 16: Identification of the Beneficial Owner of Funds

1. The financial institution shall require the customer to provide a written declaration of the owner of funds, if:
 - a. the customer is clearly not the owner or, in the opinion of the financial institution and at its discretion, the ownership of funds is subject to doubt; or

- b. a cash transaction is effected for a sum greater than 10 million Iraqi dinars.
2. The financial institution shall verify the identification information provided under this Article.

Article 17: Further Verification of Identity

1. When, in the course of conducting business, the financial institution has reason to doubt the identity of the customer or the beneficial owner of the funds, the financial institution shall take steps to further verify identity. The financial institution shall undertake such verification as is necessary in order to form a reasonable belief that it knows the true identity of its customer and/or any beneficial owner of the funds involved. The financial institution must have in place procedures, including escalation protocols, to resolve discrepancies and to decline or cease to do business with a customer when it cannot form a reasonable belief as to the customer or beneficial owner's true identity, and shall report any suspicious transactions to the Money Laundering Reporting Office.
2. If an insurance company refunds a premium or distributes or transfers a benefit, the insurance company shall verify the identification of the beneficial owner if the beneficial owner is not the person designated as beneficial owner when the contract was entered into.

Article 18: Further Verification of Purpose and Nature of Transactions

1. The financial institution shall immediately verify the source of funds, and the purpose and intended nature of a transaction or business relationship, when there is reason to suspect that assets are the proceeds of a crime, that they may be intended for the financing of crime or terrorist financing, or that a criminal organization has power of disposal over them.
2. A financial institution that has reason to know that a proposed transaction or series of transactions is/are suspicious transactions shall immediately report to and seek guidance and direction from the Money Laundering Reporting Office. Any financial institution or other person making such a report shall be entitled to the protection of Article 22 paragraph 1 of this Act.
3. If the financial institution makes full disclosure of the facts and circumstances to the Reporting Office, and follows the guidance of the Reporting Office, neither the institution nor any director, officer, employee, or agent of the financial institution, shall be liable to any person under any law or regulation of Iraq, any constitution, law, or regulation of any political subdivision of Iraq, or under any contract or other legally enforceable agreement, including any arbitration agreement, for acting in accordance with the direction of the MLRO, or for any failure to provide notice of such action to any person involved or affected.

4. A financial institution seeking verification under paragraph 1 or making a report to the Money Laundering Reporting Office under paragraph 2 shall immediately freeze the relevant assets until the financial institution receives any necessary verification and/or any necessary guidance from the Money Laundering Reporting Office.
5. An institution acting under this Article shall not reveal to the customer, or a third party other than the Money Laundering Reporting Office or an Iraqi government office, that verification is being or has been sought for the purpose of ascertaining an illegal purpose or connection to a transaction, that guidance is being or has been sought, or that assets are or have been blocked, except that the institution shall, in response to a request by the customer to use blocked assets, explain that the assets have been blocked and refer the customer to the Reporting Office.

Article 19: Reporting Obligation

1. A financial institution that has reason to know that a suspicious transaction has occurred, whether effected by a customer or other person, where the total value of the transaction or series of potentially related transactions is equal to or greater than 4 million Iraqi dinars or, in the case of suspected structuring transactions to evade reporting requirements, regardless of the amount, shall notify the Money Laundering Reporting Office of the transaction, including all facts and circumstances. Such a report shall be made as soon as is reasonably possible, but in no case later than 14 days after the occurrence of the event causing suspicion or giving reason for suspicion. An institution making a report under this paragraph shall not reveal that fact to a customer or other third party.
2. A financial institution may report a transaction or transactions to the Money Laundering Reporting Office under this Article, if the financial institution believes that the transaction or transactions are relevant to a possible violation of any law or regulation, even if the report is not required under this Act.
3. Financial institutions shall keep separate files containing all documents related to reporting pursuant to this Article. Financial institutions shall only transmit data in such files to the CBI, the Money Laundering Reporting Office and the prosecuting authorities. Such records must be retained for at least five years after the reporting of information to the Money Laundering Reporting Office. In the event that the financial institution is thus notified by the CBI or MLRO, such records must be maintained indefinitely until otherwise directed by the CBI or MLRO.
4. A person who willfully violates the provisions of paragraph 1 shall be fined not more than 10 million Iraqi dinars, or imprisoned for not more than 1 year, or both.

Article 20: Cash Transaction Reports

1. The CBI may by regulation require each financial institution to file a report with the MLRO of each deposit, withdrawal, exchange of currency or other payment or transfer, by, through, or to such financial institution which involves a transaction in currency or other monetary instrument of more than 15 million Iraqi dinars, except as

otherwise provided in this Article. In the case of suspected structuring transactions to evade reporting requirements, the financial institution shall file a report of the transaction or transactions regardless of amount involved.

2. "Financial institution" for purposes of this Article, includes all of its domestic branch offices, and any recordkeeping facility, wherever located, that contains records relating to the transactions of the institution's domestic offices.
3. For purposes of this Article, multiple currency transactions shall be treated as a single transaction if the financial institution has knowledge that they are by or on behalf of any person and result in either cash in or cash out totaling more than 15 million Iraqi dinars during any one business day. Deposits made at night or over a weekend or holiday shall be treated as if received on the next business day following the deposit.
4. No bank is required to file a report under this Article with respect to any transaction in currency between the bank and:
 - a. Another bank to the extent of the bank's domestic operations;
 - b. A department or agency of the Government of Iraq, or any political subdivision of Iraq;
 - c. Any entity established under the laws of Iraq or a political subdivision thereof, that exercises governmental authority on behalf of the Government of Iraq or such political subdivision; or
 - d. Any other person so designated by the CBI, in the CBI's sole discretion.
5. A person who willfully violates any reporting requirement under paragraph 1 shall be fined not more than 10 million Iraqi dinars or imprisoned for not more than 1 year, or both.

Article 21: Cross-Border Currency Reporting Requirement

1. The Central Bank of Iraq is authorized to require all persons to submit a report of currency and monetary instruments with the Money Laundering Reporting Office and/or the Iraq Customs Service when transporting currency or other monetary instruments greater than 15 million Iraqi dinar from a place within Iraq to a place outside Iraq, or from a place outside Iraq to a place within Iraq.
2. A report under this article shall be filed at the time and place the MLRO prescribes. The report shall contain the following information to the extent the MLRO prescribes:
 - a. the legal capacity in which the person filing the report is acting;
 - b. the origin, destination, and route of the currency and/or monetary instruments;
 - c. the amount and kind of monetary instruments and/or currency transported;
 - d. other additional information as required.

Article 22: Obligation to Make and Retain Records

1. A financial institution shall keep the records required to be made in this Act, and shall

make and retain a record of each verification exercise or inquiry to the Money Laundering Reporting Office, for five years after the closing of an account or termination of a customer relationship; information collected only for the purpose of a transaction or series of transactions shall be kept for at least five years after the last such transaction.

2. Records shall be made of all transactions above 500,000 Iraqi dinars and retained for five years after the transactions involved.
3. A wire transfer (funds transfer) shall include the name and address of the originator and beneficiary. Originator and beneficiary name and address information shall remain with the wire from origination of the wire transfer until disbursement of the proceeds to the beneficiary. Records of wire transfers shall be made and retained for five years by all financial institutions involved in the wire transfer.
4. Persons that provide a service for the transmission of money or value including through an informal money or value transfer system or network including a hawala shall retain records of all transactions above 500,000 Iraqi dinars including, but not necessarily limited to, originator and any originator's agent, ultimate beneficiary, all intermediaries, and dates, amounts, and forms of all transactions.
5. Records required to be made and retained under this Law shall be maintained in such a manner that knowledgeable third parties are able to assess transactions and business relationships and the institution's compliance with the provisions of this Act, and that subpoenas for such records by governmental authorities may be fulfilled within a reasonable period of time, not to exceed ten business days.

Article 23 Exclusion of Liability and "Whistleblower" Protection

1. A financial institution, or director, officer, employee, or agent of a financial institution, that reports a possible violation of law or regulation or a suspicious transaction, or information potentially relevant to such a violation, to the MLRO, or otherwise under the authority of this Act, shall not be liable under any law or regulation of Iraq, any constitution, law, or regulation of any political subdivision of Iraq, or under any contract or other legally enforceable agreement, including any arbitration agreement, for the disclosure or for any failure to provide notice of the disclosure to the person who is the subject of the disclosure or any other person identified in the disclosure.
2. No financial institution, supervisory authority, or government body may discriminate against any employee with respect to compensation, terms, conditions, or privileges of employment because the employee or any person acting pursuant to the request of the employee provided information to any supervisory authority, or government body regarding a possible violation of any provision of this Act, or any regulation promulgated thereunder, by the financial institution, supervisory authority, or government body. An aggrieved past or present employee may bring suit within 2 years of the alleged discrimination. A court may order any person who committed a

violation to reinstate the employee to their former position, pay compensatory damages, or take other appropriate actions to remedy past discrimination. The protections of this paragraph shall not apply to any employee who deliberately causes or participates in the alleged violation of law or regulation, or knowingly or recklessly provides substantially false information to a supervisory authority, or government body.

Section 6: Final Provisions

Article 24: Execution

The CBI shall issue regulations as necessary for the implementation of this Law. The Law shall take effect on the date indicated in Article 26, but with a deferred implementation date of September 30, 2004, or such later date as may be specified in the regulations issued by the CBI.

Article 25: Relationship to other laws of Iraq

In case of inconsistency with a provision of any other law of Iraq, this Law shall prevail.

Article 26: Entry into Force

Subject to the provisions of Article 24, this Law shall enter into force on the same date that the Order authorizing this Law enters into force.