

"The crime of Financial and Administrative Corruption in Iraq"

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The Introduction:

Money laundering crimes are among the most dangerous crimes of the era of the digital economy, and they are the real challenge facing financial and business institutions. It is also a test of the ability of legal rules to effectively confront criminal activities and combat their patterns.

Interest has increased recently among many countries in the region, the world, and Iraq, especially in confronting illegal money laundering operations, after the expansion of this phenomenon globally in light of globalization, the escalation of the information revolution and communication technology, the absence of transparency in commercial transactions, and the weakness of laws and regulations established by the state to reduce it. There is a growing concern among the countries of the world about the possibility of this phenomenon expanding, which is reflected in a series of research and studies, holding seminars and issuing regulations and instructions in this regard, as well as the strong international campaign led by the global anti-money laundering group. The banking environment remains the most targeted site for carrying out money laundering activities, due to this The fact that banks provide various banking services such as exchange and cash transfers by checks, money transfers, credit cards, fulfillment, clearing process, investment portfolio management, currency and stock trading by electronic means.¹

Research Methodology

First: The research problem:

The Iraqi economy is affected by several phenomena, including the crime of money laundering, which is one of the most serious economic crimes that threaten the country's economy because of the amount of money smuggled abroad. Therefore, this crime must be addressed and combated, and awareness of its seriousness must be realized.

Second: the importance of research:

¹ Ziyad Abdel-Karim Rashid, Abdel-Qader Wahhab Abdel-Qader, An analytical study of the phenomenon of money laundering, with special reference to Iraq, R. Ministry of Finance, Economic Department, Department of Economic Policies, 2016, p. 2.

The importance of the research appears from the importance of the crime of money laundering in Iraq, and given the importance of this subject and the fact that it takes a large place in the Iraqi economy, therefore it is necessary to impose laws to reduce this phenomenon, and to be familiar with all forms of money laundering crime and its forms and to develop the skills of specialists in the field of combating this crime and the need to develop Oversight in all state financial and banking institutions, and the connection of this crime to terrorism and its financing.

Third: Research Objectives:

The research aims to identify and diagnose the crime of money laundering in Iraq by knowing its types and causes, and thus identifying ways to combat and treat it by identifying the causes of this phenomenon. The research aims to:

- 1- Statement of the concept of money laundering crime, its causes, stages and ways to combat it.
- 2- The role of the institutions responsible for combating the crime of money laundering in Iraq.
- 3- What are the types of money laundering crime and the annual growth rate of these crimes?

Fourth: Research Hypothesis:

The research stems from a hypothesis based on the fact that the crime of money laundering has become widespread and widespread in Iraq, which resulted in negative repercussions on the state's economy and its structure, and thus leads to obstruction of the process of economic development, the state's inability and its weak structure.

The first topic

The theoretical side

First: The definition of money laundering

Laundering crimes are considered one of the most serious economic crimes because of their close association with illegal economic activities, which is what is known as the hidden economy, as well as its association with the movement of international trade and investment, as well as the cultural role of financial institutions (banks) in the spread of these crimes and ways to combat them. Several definitions of money laundering crime have come in the literature. International, local and Islamic economic and legal thought. We mention the most prominent of them:²

Where the European Council defined money laundering as (changing the form of money from one case to another and employing, transferring or transferring it, with the knowledge that it derives from criminal activity or from an act that is considered a contribution to such activity, with the aim of concealing or disguising the truth of its illegal origin or bargaining

² - Nawar Al-Saadi, a previously mentioned source, p. 2.

with any other person. Engaged in the commission of criminal activity to avoid the legal consequences of his action.³

As for the international definition of the crime of money laundering, most of the conventions did not define the crime of money laundering, but rather enumerated the acts that are considered the crime of money laundering, including the Vienna Convention against Illicit Trafficking in Narcotic Drugs and Psychotropic Substances, the Strasbourg Convention of 1990 and Palermo / 2000.

The Iraqi Anti-Money Laundering and Terrorist Financing Law No. (39) of 2015 defines money laundering as whoever commits one of the following acts:⁴

First: Transferring, moving, or exchanging money from a person who knows or should have known that it is the proceeds of a crime. For the purpose of concealing or disguising its illegal source, or assisting the perpetrator, the perpetrator of the predicate crime, or the person who contributed to its commission or the commission of the predicate crime, to evade responsibility for it.

Second: Concealing funds or disguising their true nature, source, location, condition, disposition, transfer, ownership or rights related to them, from a person who knows or should have known that they are the proceeds of a crime.

Third: The acquisition, possession or use of funds by a person who knows or should have known at the time of receiving them that they are the proceeds of a crime.⁵

Article – 3 – Conviction of the accused of the crime of money laundering does not depend on the issuance of a judgment for the predicate crime that resulted in this money.

Article – The judgment against the accused for any of the predicate crimes does not prevent him from passing judgment on the self-money laundering crime that resulted from that crime. The provisions of the multiplicity of crimes and punishment stipulated in the Penal Code shall be applied

Second: The stages of money laundering crime

- 1- **The first trend: the traditional theory** (its proponents believe that the money laundering process must pass through three basic stages, as follows:⁶

A – The first stage: placement, employment or replacement

This stage is represented in the employment or deposit of these illegal funds in the financial system, by placing them in a bank account in a financial institution, and these funds are divided into small amounts, then deposited in multiple financial institutions, and then these funds are converted into financial instruments Such as transfers or checks, or exchanging one

³ Huda Qashqosh, Money Laundering Crime in the Scope of International Transactions, Dar Al-Nahda Al-Arabiya for Publishing and Distribution, first edition 2017, pg. 7.

⁴ Republic of Iraq – Ministry of Justice – Iraqi Gazette, Law No. 39 of 2015, p. 14

⁵ Republic of Iraq – Ministry of Justice – Iraqi Gazette, Law No. 39 of 2015.

⁶ Samir Al-Khatib, Anti-Money Laundering, Manshaat Al-Maarif, Alexandria, 2005, p. 16 – p. 17.

currency for another by mixing it with legitimate funds, in order to avoid suspicion and suspicion, and it is employed by purchasing securities in cash or purchasing a form of insurance, and this is done to remove dirty money from its illegal location, and to avoid its discovery by the competent authorities.

B – The second stage: covering, camouflaging, or mixing

And it is done by resorting to concluding successive financial deals to hide the source of illegal money, after depositing it in financial institutions, and it can also be done through other means such as repeated transfers between bank accounts, or by means of electronic transfer of funds or the purchase of securities, or tools. An easily transferable investment, and perhaps the most important mixing and camouflage method is electronic transfers that avoid the physical transfer of funds, which may lead to easy discovery.

C- The third stage: merger or integration

This is done by injecting it into the legitimate economy by purchasing assets such as real estate, securities, or others, and it is considered the last stage, through which legitimacy and legality are given to these funds, and it is one of the dangerous stages for the economy, as it represents a safe haven for dirty money launderers, as it is also called drying stage.

2 – The second trend: modern theory⁷

The proponents of this theory believe that the money laundering process can take place without referring to the previous three stages. Money laundering varies according to the circumstances surrounding it. They, in turn, divide the money laundering process into three types:

A- Simple washing: It is by converting dirty money into clean money in a short or very short period and in small quantities. This type of washing is done in emergency operations, and this type of money is used in consumer spending, such as trading carpets or antiques, for example.

B – Medium laundering: This type of laundering takes place in countries that are characterized by the presence of moderate control over the money laundering process, and the volume of funds required to be laundered is relatively large.

C_ Perfect laundering: It is more dangerous than the first and second types, as commercial companies are used in many countries that carry out import and export operations, for example, or contracting, aviation, or banks, in order to transfer this money quickly and safely, and this is done to launder very large quantities of dirty money. .

Third: Reasons for money laundering:

⁷ Saud bin Abdulaziz Al-Ghamdi, Money Laundering Crime in the Saudi System and International Agreements – An Applied, Original Analytical Study, Naif University for Security Sciences, www.nauss.edu, Riyadh, 2005, pp. 159 – pp. 160.

As a result of the developments that took place at the level of the economic level in terms of high economic growth and openness to the world, and the expansion of the volume of economic activity in terms of increasing the level of national income, so the areas of the hidden illegal economy diversified, which contributed to the growth and spread of money laundering operations, until it became a wide phenomenon spread among countries, and the reasons for money laundering operations can be summarized as follows:⁸

1. Liberalization of international financial markets: The directives of the International Monetary Fund regarding the development of the financial sectors of countries led to the opening up of global financial markets through the abolition of restrictions and control of exchange rates and customs, and this opens additional areas for money laundering operations.
2. Electronic banking operations: The banking sector witnessed a great development in the field of electronic banking operations, and after the introduction of technical innovations and intense competition between banking institutions, which became providing services through the Internet, as it has become a widespread phenomenon, as the international financial system consists of a large number of computer screens and which are linked by satellites in a network of immediate communication with each other, through which huge funds are transferred and secretly to other financial systems around the world in a way that makes it difficult to search and investigate these operations for suspicious financial operations.
3. The development of electronic commerce operations: These operations are characterized by a high volume, reaching tens of billions annually, and due to the multiplicity of buying and selling operations that take place around the world, it is difficult to ascertain the legality of all operations that are carried out using electronic methods of payment.

Fourth: Effects of money laundering crime

1- Economic effects:

1- Decrease in national income: as the flight of money outside the country, and this means the loss of production for its most important elements, which is capital, and this hinders the production of goods and services (the national product) and is reflected negatively on the national income.⁹

2- Low rate of domestic savings and investment: This is due to the flight of domestic capital abroad, and local savings are unable to meet investment needs due to the deposit of savings in foreign banks and the widening financing gap, which increases unemployment rates and reduces investment spending on projects necessary to employ the labor force and the loss of job opportunities. There is (an inverse relationship between saving and investment¹⁰).

⁸ Laila Ashour Al-Khazraji, The phenomenon of money laundering, a contemporary analytical economic vision, Al-Kout Journal of Economic and Administrative Sciences, College of Administration and Economics, 2012, Volume 1, Issue 6, pp. 231-233.

⁹ _ Abdullah, the implications of money laundering on financing development in developing countries, Algeria, 2013, p. 129.

¹⁰ _ Samir Shaaban, a previously mentioned source, p. 13.

3- The deterioration of the value of the national currency and the rise in inflation rates: due to the close link between the value of the currency and the smuggling of money abroad due to the increase in demand for foreign currencies and the increase in their supply.¹¹

4- Corrupting the investment climate: because of their entry into the various markets (industrial, commercial, agricultural) and their purchase of real estate, lands, factories, markets, shops, and trading at prices that are exponentially higher than the prevailing prices in the market for the purpose of laundering their dirty money and presenting a good image for their money, as this leads to high prices and turmoil investment market.¹²

5- Distorting the image of foreign markets and the continuous turmoil of financial markets at home, which contributes to their complete collapse because it does not advance free competition to concentrate influence and money in the hands of gangs) and the influential, and this leads to companies and institutions declaring bankruptcy due to the inability to compete.¹³)

6- Increasing the cash flow towards consumption: since the income earners did not tire in obtaining it and are not keen on it, which is characterized by lack of rationality and does not assess the weight of the marginal benefit of money and compare it with the marginal benefit of the goods and services offered in the market and there is no rationalization of consumption and spending is done with waste and leads to high prices and the occurrence of waves of inflation accompanied by a decline in the purchasing power of money.¹⁴

7- The increase in the volume of government spending by establishing and opening departments, offices and bodies, the Integrity Commission, offices of general inspectors and audit departments (to combat this phenomenon and what it causes of continuous draining of the country's resources as a result of the spread of administrative and financial corruption and tax evasion and drives the state to domestic and foreign debt).¹⁵

8-The entry of malicious money into the place of laundering and its operation in the state's economy may expose it to danger through its penetration into some sectors that affect the nerve of the economy, such as the banking sector, where money laundering gangs can harness this sector to serve their sordid purposes by committing money laundering crimes (also these gangs can mobilize the inputs of individuals and operate them for their own account).¹⁶

2- Social effects:

1- The widening gap between supply and demand in the labor market: it leads to unemployment due to the flight of capital abroad, and leads to a decline in national income and a decrease in investment spending. This is what happened in Iraq, where

¹¹ -Idriss Brothers, the crime of money laundering and combating it in Algerian law (a comparative study), 2012, p. 16.

¹² -Nader Abdel Aziz Al-Shafi, Bleaching Mawal (a comparative study), Beirut, 2011, p. 195.

¹³ -Bohdi Hamid, the crime of money laundering and its implications, Algeria, p. 4.

¹⁴ -Saqr bin Hilal Al-Mutairi, a previously mentioned source, pg. 51.

¹⁵ -Zuhair Saeed Al-Rubaie, Money Laundering, The Scourge of the Age and the Mother of Crimes, Kuwait, 2005, p. 59.

¹⁶ Saqr bin Hilal Al-Mutairi, a previously mentioned source, pg. 53.

unemployment rose due to the lack of job opportunities to prepare graduates from universities and job seekers from The uneducated, and this led to an exacerbation of unemployment (and the spread of corruption and the prevalence of crime).¹⁷

- 2- The low standard of living: as the poor distribution of income among the members of society, the widening gap between the rich and the poor, the imbalance of the social structure due to the increase in poverty, and the low standard of living for the vast majority of citizens, and this leads to the dissolution of social values, the inability to receive treatment and education, and the spread of diseases and epidemics due to ignorance and poverty. The spread of corruption, the prevalence of crime and organized crime, its high rates, the high value of money for its owners, the rise of their social status despite their lack of culture, the waste of the social value of productive work, the dominance of ignorance and illiteracy instead of education, as the fair distribution of wealth gives job opportunities to the clean and skilled labor force) and is reflected positively on the standard of living. ¹⁸)
- 3- Preventing qualified people from assuming decision-making positions: because of their possession of huge illegal capital and their control over economic and political centers, and they prevent qualified people from reaching higher positions and their position in the leadership of society declines.¹⁹
- 4- Exploitation of low-paid labor force.²⁰
- 5- Funds fleeing outside the country and investing them in projects far from the homeland, which leads to reduced job opportunities and widespread unemployment, which helps to tear the social fabric and the lack of cohesion and solidarity among the members of society.²¹

The second topic

Types and forms of money laundering crime in Iraq

It can be said that it is money laundering and it is one of the serious crimes that have a devastating effect on the national economy because it is done in an organized manner and those in charge of it reap a lot of illegal money,²² Banks It is noted that the predominant face at the present time and the frequent resort to advanced processes and techniques in the field of money laundering and making investments that cannot be sourced from the product of dirty money to benefit in particular from the rapid internationalization of money laundering networks that operate in several countries and are spread in different financial centers.²³

¹⁷ Samir Shaaban, previous source, p. 17.

¹⁸ -Nader Abdul Aziz Al-Shafi, previous source, p. 23.

¹⁹ -Khoja Jamal, previous source, p. 112.

²⁰ -Samir Shaaban, previous source, p. 17

²¹ -Nader Abdul Aziz Al-Shafi, a previously mentioned source, p. 23

²² _Muhammed Muhyiddin Awad, "Money Laundering Crimes," Naif Arab University for Security Sciences, Riyadh, 2004: p.15.

²³ - Mukhtar Hussein Shubaili, "International Economic and Financial Crime and Ways to Combat It," Naif Arab University for Security Sciences, Riyadh, 2007: p. 44.

Money laundering operations are due to a leakage from the Iraqi national income due to the flight of money outside Iraq and depriving the economy of funds and balances. Money laundering crimes in Iraq will also be clarified in the following table:

Table (1) the number of money laundering crimes in Iraq for the period (2004_2021)

Years	money laundering crime	annual growth rate %	Amounts million dollars	annual growth rate of amounts %
2004	37		5712	
2005	43	16.22%	8061	41.12%
2006	49	13.95%	10096	25.25%
2007	55	12.24%	14	-99.86%
2008	64	16.36%	20177	144021.43%
2009	65	1.56%	17228	-14.62%
2010	69	6.15%	2196	-87.25%
2011	70	1.45%	29102	1225.23%
2012	70	0.00%	10387000	35591.71%
2013	76	8.57%	12682000	22.09%
2014	80	5.26%	15855000	25.02%
2015	82	2.50%	16903000	6.61%
2016	82	0.00%	17911000	5.96%
2017	187	128.05%	17703000	-1.16%
2018	308	64.71%	17789000	0.49%
2019	400	29.87%	18752000	5.41%
2020	605	51.25%	2279345123	12055.21%

The table was prepared by the researcher based on:

- 1- Column (1) Central Bank of Iraq / annual reports of the Anti-Money Laundering and Terrorist Financing Office for the study years.
- 2- Columns (2) and (4) prepared by the researcher based on the table data.

- 3- As for column (3), based on the data of the following sources: Mustafa Rashed Ali, the amounts data for the years (2004-2007), the subject of the study²⁴. Maryam Mahmoud Kadimi, the amounts data for the years (2008-2018) the subject of the study²⁵. * Estimated data Using the method: (linear trend at point).

It is noted from table (10), that in the years (2004-2005-2006-2007) it began to appear, and the reason for this is due to the security vacuum and the secrecy of its growth, but in the year (2008) the case rates for this crime amounted to about (64) cases, i.e. An annual growth rate of (16.36%) and an estimated amount of (20177) million dollars, due to what was collected from illegal business, in addition to the theft of government banks during the events of (2003), which helped smuggle large amounts of money abroad. Then it began to gradually increase in the year (2009), as the number of cases reached (65) cases and an annual growth rate of (1.56%), amounting to (17228) million dollars, at an annual rate of (-14.62%), as a result of the deterioration of the security situation.

In the year (2011), the case rates increased compared to the study years, as they reached about (70) cases, i.e. a growth rate of (1.45%), amounting to (29102) million dollars, at an annual growth rate of (1225.23%), and the reason is attributed to the volume of The large spending that is directly proportional to the crime of money laundering, as a result of the increase in oil revenues, which was positively reflected in the increase in the rates of gross domestic product, at that time it led to an increase in national income, and in the year (2012) the number of cases stabilized at (70) cases and the amount decreased slightly as Its amount amounted to (10,387,000) million dollars. As for the years (2013-2014-2015-2016), it has gradually increased, as a result of the entry of terrorist groups into several governorates in the country, and the largest part of the financing of these groups was laundering operations. (2019) it reached its peak compared to the previous years of the study, due to the opening and expansion of banks and private money transfer companies, as well as the continuation of selling currency (currency auction), which encouraged money smuggling in preparation for its laundering. As it reached (400) cases, a growth rate of (30%), and an estimated amount of (18,752,000) million dollars. In the year (2020-2021), the number of cases reached (605-641), and an average of Annual growth of (51.25%) and (5.95%) with an amount of (2279345123) and (2330693915), as the total number of cases reached about (2983), and the total amount is (4738113624) million dollars, as the average number of cases reached (165.72) and at a rate of (20.23). %) and the arithmetic average of the amount (263,228,534.7) million dollars.

1- Money smuggling:

Some former officials were able to escape outside Iraq with the millions of dollars that he obtained through illegal and illegitimate methods, investing them in the form of deposits in

²⁴ _Mustafa Rashid Ali, The Phenomenon of Money Laundering and its Repercussions on the Iraqi Economy, Master Thesis, unpublished, College of Administration and Economics, University of Wasit, 2012, p. 131.

²⁵ _Maryam Mahmoud Kadimi, An Analytical Study of the Impact of Money Laundering on the Gross Domestic Product, with reference to Iraq for the period (2004-2018), unpublished master's thesis, College of Administration and Economics, University of Tikrit, 2019, p. 64.

the banks of those countries in exchange for high interest rates, and by buying shares from foreign companies or buying real estate. This deviant behavior is justified as a necessity imposed by the constantly volatile political situation in the country. According to their view to secure them in the event of their exclusion from power in the future.²⁶

The researcher believes that this situation is what is currently working at the expense of politics to smuggle money from the general budget through development projects in various regions of Iraq with low costs and written in official newspapers or official books for high costs and smuggling that money in excess of the official price or the official cost and the real cost out. The country and depositing them in banks to secure their personal lives, as well as financing the expenses of their children's or their families' studies that reside or live outside the country in those countries to which the material sums are smuggled.

2- Smuggling oil derivatives

This phenomenon existed at the beginning of the nineties of the last century and increased significantly and clearly, and trade became profitable with many parties operating due to the absence of the customs system and the opening of the borders to its death and the abundant profit as a result of the difference in the price of oil derivatives between the Iraqi market and neighboring countries affecting the internal market and shipping occurred in these materials. Iraq pushed these derivatives from neighboring countries into cars in large quantities. This represents a waste of the country's wealth.²⁷

3- Drug trafficking

Statistics or global statistics indicate the spread of drug trade in most countries of the world, and only 10% of the real volume in circulation is seized. Drug crimes are considered cross-border crimes and constitute one of the main factors in the rise of other crimes such as theft and murder,²⁸ the drug trade ranks third in terms of global trade volume

after oil and arms trade²⁹, the quantities of narcotics have increased in the illegal trade market in Iraq after 2003, and due to the difficult security conditions that Iraq is going through and the more difficult conditions that it went through after 2003, Iraq's vast borders with neighboring countries that it opposes are one of the means of facilitating the task of transporting drugs into and out of Iraq. The state spent millions of dinars to combat drugs and prevent their spread, abuse, circulation or trade in them, in addition to what the state prepares of security men and what it establishes from anti-drug offices for the purposes of preventing smuggling. Such as education, health, industry, agriculture and other service projects that promote society.

²⁶ _ Same source.

²⁷ -Walid Khadduri, The Iraqi Oil Industry, A Future Vision, www.Arabic.thawoject.com.

²⁸ - Akram Abd al-Razzaq al-Mashhadani, On the International Day for Drug Control, The Civilian Dialogue, No. 2323, 2008.

²⁹ _ Arkan Saeed Khattab, Confronting the Drug Problem in Iraq Shows Reality and the Future, Journal of the Center for Educational and Psychological Research, Issue 16, University of Baghdad, 2008, p. 83.

4- Counterfeiting and counterfeiting currency

The process of counterfeiting and counterfeiting metal and paper money is considered a contemporary economic crime, so it is every process of fabricating a currency, whether paper or metal, as an imitation of an authentic currency, and every manipulation of the value of its correct currency, and every promotion or entry from abroad of a counterfeit currency. This work is considered forbidden because of the fraud and deception involved. The government is the only entity authorized to issue money, strikes the interests of individuals, and extracts public confidence from the currency, describing it as a tool for dealing between people,³⁰ in addition to increasing the amount of money in circulation in an unplanned manner, while keeping the quantity of goods and services as they are.

The decrease in the value of the money unit is reflected in the high level of prices for goods and services and leads to inflation and poor distribution of wealth among the members of society illegally or legally, which causes a scarcity in the government budget and its impact on the safety and stability of the economy and the prestige of the government and its control over security in addition to the disturbances it causes in Financial transactions and thus a breach of confidence in the state and money,³¹ and the researcher believes that these crimes are linked to the security situation of the country and the stability of the currency and the attempt of many enemies of the state destabilized the value of the local currency and obstructed the path of the development of the state

The third topic

Measures taken to combat money laundering in Iraq

First: Legal measures taken to combat money laundering:

a. Law No. 23 of 1996, according to which Iraq was announced joining the United Nations Convention to Combat Trafficking in Narcotic Drugs and Psychotropic Substances of 1988, in 1997 Law No. 10 was issued, which is the first Iraqi law that embodies the content of dirty money laundering crimes, as the first paragraph of the law stipulates that movable funds be confiscated Including money, gold, and immovable money, whose ownership came to the person illegally and he transferred its ownership to others with the intention of evading the rule of law, and after the change that took place in Iraq after the events of 2003 and what Iraq witnessed from the absence of the state and the law, and what was left behind by the American occupation From the destruction of the Iraqi economy, and the opening up of the Iraqi market, Iraq has become a suitable environment for money laundering crimes, and this prompted Iraq to issue a number of laws to combat this crime. The first law issued after the change is Law No. 93 of 2004, which is considered one of the special legislative sources for combating money laundering in Iraq. Since this law consists of 26 legal articles, this law authorizes in Article 6/2 the Central Bank to limit financial institutions to entities that do not

³⁰ _Faraj Alwan Halil, Crimes of Counterfeiting and Forgery, University Press, Egypt, 1993, p. 13.

³¹ _Muhammad Hamid Abdullah, previous source 1998, p. 181.

exceed a certain size, as the Central Bank issued Al-Iraqi set out a package of instructions according to which he specified the bodies covered by the implementation of the anti-money laundering law, and they include governmental and private banks represented in the Iraq Stock Exchange and insurance companies, and did not include the rest of the other sectors such as industry, agriculture and tourism, although they are financial institutions that operate in the Iraq Stock Exchange. As it is noted in this law that these institutions are absent, which constitutes a loophole through which money launderers can direct their money towards these sectors, because they are not covered by the paragraphs of this law.³²

b. Establishing a money laundering reporting office, as the Central Bank of Iraq established an office to report money laundering, with the aim of implementing Law No. 95 of 2004 based on Paragraph 1 of Article 12 of the law. The office is affiliated with the Central Bank and maintains practical independence and is funded independently by the bank Central, performs the following tasks³³:

A_R notifications from financial institutions and prosecuting authorities for all relevant lawsuits.

B_Issuing regulations and verifying reports.

C_ Cooperating and exchanging information with the Iraqi government authorities, the competent bodies of other countries, and international organizations to combat money laundering.

D_ Collecting, analyzing and publishing reports on financial transactions subject to financial control.

E_ The Central Bank, through the Money Laundering Office, issued instructions to banks and financial companies to establish a unit to follow up on money laundering operations.

Second: The economic policy adopted in combating money laundering

The Central Bank has taken a set of measures that represent its economic policy to combat money laundering by setting controls on private banks and money transfer checks to enter the currency auction, which is represented by providing certificates of origin for goods, tax accounting receipts and invoices for imported goods, and these controls impede the ability of private banks and companies Financial transfer in entering the currency auction, just as the central bank represents a monetary authority. The freedom to issue new legislation that obliges all financial institutions to disclose their customers and customers wishing to obtain foreign currencies, by presenting a check as a condition

To participate in the daily currency auction held by the bank, and that the aim of the procedure is to know the real customers and stay away from the imaginary customers, as Article 40 of the Central Bank Law No. 56 of 2004 stipulates that the central bank has the

³² _ Nour Abdul Sattar Ibrahim Muhammad, Effects of Money Laundering in the Iraqi Economy, Al-Kout Journal of Administrative and Economic Sciences, 2015, Volume 1, Number 2.

³³ _ Money Laundering Law No. 93 of 2004.

right to take the necessary measures to license and regulate the work of banks and supervise them and their branches, This license allows banks to practice all banking business in Article 27 of the Banking Law No. 94 of 2004, which regulates the process of trading in foreign currencies and importing gold, in addition to the central bank's task of managing and implementing the currency auction and determining foreign exchange trends and channels, which made the central bank face challenges Futurism confuses the work of the monetary administration and puts it in an unenviable position. Either the central bank continues to auction foreign currency without specifying the type of customers and ensuring that the dollar is not deported abroad, and this generates increasing pressure on the central bank, or the bank abandons its direct management of the public auction. And replacing it with banks, and this option leads to the deterioration of the exchange rate of the national currency, and thus drags the country into unknown directions in which the economy may be mortgaged Iraqi future developments.³⁴

³⁴ - Ashwaq Abdul Rasul, Hana Al-Jubouri, Money Laundering Crime in Iraqi Law, Karbala University Scientific Journal, Volume 15, Number 2, pp. 9-7, 2017.