

CBI: Progress in payment system led to controlling the flow of funds

The Central Bank of Iraq confirms that the progress of the Iraqi payment system during the past period led to a significant control over the flow of funds inside Iraq and provide a comprehensive database and accurate on all transfers within the financial and banking sector, through a set of measures and the precautions that have been implemented and Including the modernization of the payments system in all its components according to international standards.

This update was designed to accommodate the increasing volume of transactions carried out through this system to be easily compatible with the various banking systems. The most important systems operating in the Central Bank are the RTGS, which was implemented in 2006, and the C-ACH clearing system that was implemented in 2011, which provides a comprehensive database of all transfers for the settlement of electronic instruments and interbank payment orders. The Central Bank issued a set of instructions and precautions for banks to limit the risk of exchanging instruments through the system. The central bank directed to the establishment of the Iraqi National Payments Council, which includes members from within and outside the Central Bank, which contributes to the development of strategies for the development of payment and settlement systems and follow-up implementation, and the promotion of international best practices.

The Central Bank implemented a number of measures, including the implementation of IBAN, which aims to unify the bank account

numbers of all banks operating in Iraq, which allows banks to verify the validity of the transferred account number. The IBAN number for Iraq consists of 23 character and Iraq has been included in the list of countries that deal with the international number, which does not accept domestic or foreign transfers except within the international standards, and in terms of the precautionary measures taken to tighten the transfer of funds, especially with regard to the electronic instruments that are transmitted through the clearing system. The security specifications of the electronic instruments withdrawn to banks for the purpose of preventing fraud and the addition of new functions of the system for the purpose of enabling banks and their branches to control the process of sending and receiving instruments and preventing the passage of forged or stolen instruments by adding the function of authentication of the instrument by the withdrawn bank branch for the government banks to be settled on time.

The function of instruments suspension enables the bank to stop any instrument in case of theft or forgery.

The Central Bank also implemented the internal clearing system between the branches of the same bank, which enables government banks that do not have a comprehensive banking system to automate all transfers of their branches and provide a comprehensive database for the efficient process of matching between public administrations and branches.

Among the important projects that the Central Bank has implemented is the retail payment infrastructure project, which consists of the National switch which supports inter-bank clearing for transfers made by customers and transactions through the use

of ATMs and points of sale through credit cards linked to the bank account , And the mobile payment system, where the funds will be transferred through e-wallets without the need for a bank account, and can also make transfers for payment of bills and shopping.

Recently, the project of settling the salaries of state employees, based on the decisions of the General Secretariat of the Council of Ministers No. 313 and 281, the conversion of the system of payment of salaries to employees, including allocations and benefits to an electronic payment system. Through the opening of bank accounts for employees in banks (government and private and branches of foreign banks) and the issuance of debit cards linked to the account to withdraw the salary through ATMs or through the process of buying from points of sale at the lowest possible costs, as well as benefit from other banking services (such as loans, Online purchases, savings accounts, etc.). As this project contributed to the provision of liquidity within the banking sector and the optimum use of financial and banking services inside and outside Iraq.