

**The Instructions on Foreign Capital Flow**  
**for Purposes of Implementing the Investment Law in Iraq**  
**No. (13) for the Year 2006 Amended**

Based on the provisions of article (11) of the investment law No. (13) for the year 2006 amended the following was decided:

- 1- Allow the licensed banks and branches of foreign banks working in the Republic of Iraq to open current accounts, named the investment account under the control of the Central Bank of Iraq in Iraqi Dinar and Foreign Currency. The amounts allocated therefore in foreign currency are transferred in favor of the investor in Iraq according to the provisions of article (21) of the valid investment law No. (13) for the year 2006 amended.
- 2- Adopt the prevailing exchange rate in the local market to convert the amounts in foreign currency to Iraqi dinar in the investment account opened with the bank.
- 3- The investor in Iraq is entitled, according to the provisions of the valid investment law, to use the amounts transferred to the Republic of Iraq and deposited at his disposal in the investment account opened with the local bank, to transfer them outside Iraq at any time he wishes and at the market exchange rate to finance his commodities import operations, services and obligations related to his investment activity after subtracting the amounts disbursed inside Iraq, whether in foreign currency or Iraqi dinar, and pay all his liabilities and debts to the Iraqi Government and other authorities supported by documents and according to what has the valid investment law No. (13) for the year 2006 amended stipulated.
- 4- Convert annual profits at the prevailing exchange rate in the local market for the investment project after certifying the final accounts upon operation and according to what the valid investment law has stipulated.
- 5- Record the realized export revenues in favor of the investment project in the same mechanism mentioned in para (1 and 2) above and through investment accounts.
- 6- The investor is entitled to provide the exact capital of the investment project from various equipment, machinery, production means, supplies, spare parts, raw materials, items and others, provided that a recognized authority provides a certificate of evaluation, in which the real value of material in kind is recorded, and which entered according to the international specifications in determining

and evaluating prices adjustment and determining its equivalent in Iraqi dinar according to the provisions of article (26) of companies law No. (21) for the year 1997 amended.

- 7- The investor is entitled to transfer the annual depreciation installments for the value of devices and equipment that entered Iraq, including the value of buildings and structures under construction after approving the final accounts of the production activity of the project by a chartered accountant according to the recognized international audit standards and in a way not inconsistent with the valid investment law.
- 8- The foreign investor is entitled to move his equipment, devices and any movable assets to outside Iraq, which are mentioned in para (6) of these instructions in case he wanted to liquidate his investments completely, after fulfilling his obligations before the Iraqi authorities and according to what has the valid investment law stipulated.
- 9- In case of merging more than one current investment project or integrate with other investment projects, and forming one legal entity in terms of property and rights, the new project shall keep the rights stipulated in these instructions and is subject to the demands stipulated by instructions according to the abovementioned investment law.
- 10- The investor is entitled to transfer the price of intangible or moral assets (such as trademarks, patents, goodwill, intellectual property and others) provided that the transferred amounts are within the total ceiling of transfer upon establishing the project, which connects the value of external flows with internal flows (except the transferred annual profits mentioned in para (4) above).
- 11- The foreign exports and labor working in the investment project (non-investors) are entitled to transfer their income arising from salaries and compensations to outside Iraq according to what para (Fourth) of article (12) of the valid investment law has stipulated after paying their liabilities and debts to the Government of Iraq and all other authorities, and ensure that they are not transferred by the owner of the project.
- 12- The foreign investor is entitled to borrow from the local banking market and to ensure the assets of investment project at a rate not more than (10%) (ten percent) of the total value of project in order to maintain operation capital in line with the provisions of Banks Law No. (94) for the year (2004), provided that the borrowed amount for the taxes imposed on the realized profits of the project, and which he receives from the mother country of the foreign investor.

- 13- The investors, banks, and others adhere to the anti-money laundering law and related regulations and instructions.
- 14- These instructions include the investor, who is introduced, whether he was natural or legal, through the percentage of his contributions in the investment project and according to the regulations and instructions issued by the National Investment Commission in this regard and according to the provisions of the regulation, which is issued by the proposal of the National Investment Commission and according to the provisions of article (7) of the valid investment law No. (13) for the year 2006 amended.
- 15- No use of investment project assets is permitted for purposes of total or partial speculation beyond the objectives of the project.

“End”

The Central Bank of Iraq

August/2011