VOVE ID

VOVE COUNTRY CONTROL FILE

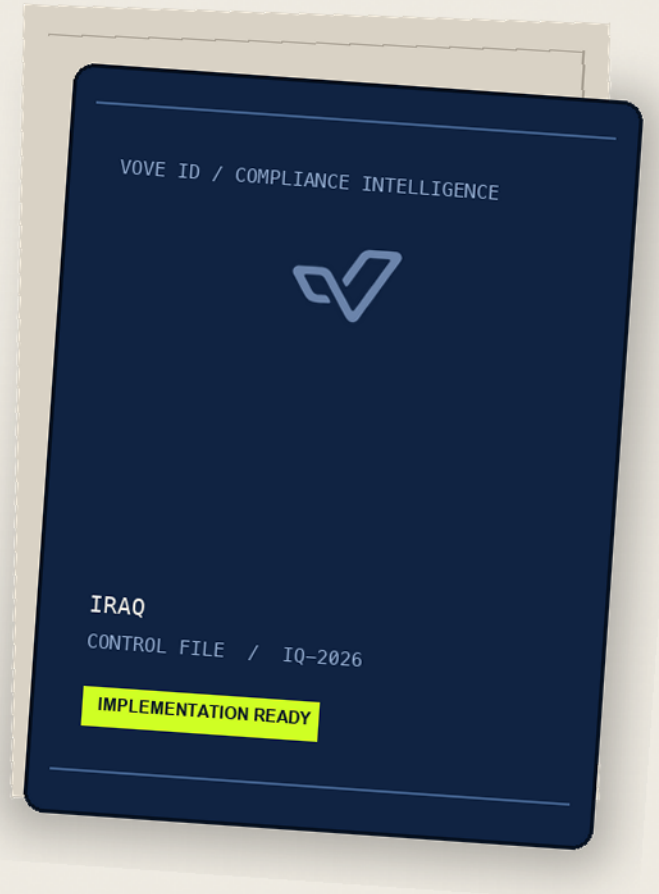
KYC / KYB / AML

2026 EDITION

IRAQ



IRAQ / IQ



KYC / KYB / AML

COMPLIANCE CHECKLIST

2026 EDITION

IMPLEMENTATION CHECKLIST / NOT LEGAL ADVICE

READ THIS FIRST

Iraq KYC, KYB & AML Compliance Checklist

Implementation checklist for Iraqi customer due diligence, beneficial ownership, suspicious reporting, sanctions, records, payments, company verification and data governance.

Primary AML law	**Law No. 39 of 2015**
FIU	**Iraqi AML/CFT Office**
Suspicious reporting	**Immediately, including attempted transactions**
Beneficial ownership	**Natural-person ownership/control cascade under current CDD rules**
Records	**At least five years from the applicable closure or transaction trigger**
Payments	**CBI authorization under the current product framework**
Privacy	**No comprehensive federal data-protection law established by official sources reviewed**
FATF status	**Increased monitoring at 30 October 2026**

Scope and legal framework

Anti-Money Laundering and Counter-Terrorism Financing Law No. 39 of 2015, the 2023 customer due-diligence rules, 2025 CBI AML/CFT/PF controls and sector instruments form the core framework. Current Arabic texts and later instruments control.

FATF context

Iraq remained under FATF increased monitoring in the statement dated 30 October 2026, which reproduced the June 2026 position because Iraq did not report in that cycle.

IMPORTANT

General information, not legal advice. Reviewed 16 November 2026. Confirm controlling Arabic texts, amendments, Kurdistan Region overlays, current FIU forms, sector rules, sanctions procedures, licensing and data requirements with the competent authority and qualified Iraqi counsel.

HOW TO USE THIS GUIDE

Turn each requirement into owned evidence

For every row, assign an owner, confirm whether the control applies, link the evidence, record gaps, and set a remediation date. A checked box is not evidence by itself.

01 / SCOPE	02 / DESIGN	03 / EVIDENCE	04 / REVIEW
Confirm institution, supervisor, product, customer and risk scope.	Map each obligation to a policy, system control or human review.	Retain the document, decision, timestamp, owner and rationale.	Test the control and update it when rules or risks change.

Checklist legend

CONTROL tells you what outcome to cover. IMPLEMENTATION ACTION translates that outcome into operational work. EVIDENCE suggests what an auditor or reviewer should be able to inspect. SOURCE points back to the primary rule or regulator guidance.

Minimum review record

Keep a compact decision record for each checklist row so a later reviewer can reconstruct what applied, who decided, and what evidence was inspected.

APPLICABILITY	OWNERSHIP	TRACEABILITY
Applicable, not applicable, or pending legal confirmation, with a short rationale.	Named control owner, reviewer, approval date and next review date.	Evidence link, source version, test result, gap status and remediation ticket.

1. SCOPE, AUTHORITIES, AND LICENSING

Scope, authorities, and licensing

Classify the activity and competent supervisor before launch.

CONTROL	IMPLEMENTATION ACTION	EVIDENCE	SOURCE
Determine reporting-entity status.	Map each financial, payment, exchange, securities, insurance, real-estate, legal, accounting, precious-metals or other designated activity to Law No. 39 and current sector rules.	Perimeter memo and dated source set.	AML/CFT Law No. 39 of 2015, Articles 1 and 12
Obtain required licences and approvals.	Confirm the CBI or relevant sector-authority route before providing a regulated product, including electronic payment and money-transfer services.	Licence matrix, decisions and conditions.	Applicable sector law; Electronic Payment Services Regulation No. 2 of 2024
Maintain FIU reporting access.	Keep current forms, secure submission channels, delegated users and escalation contacts for the Iraqi AML/CFT Office.	Registration, access review and test record.	Law No. 39, Articles 8 and 12

2. GOVERNANCE AND RISK ASSESSMENT

Governance and risk assessment

The programme must be risk-based, governed and tested.

CONTROL	IMPLEMENTATION ACTION	EVIDENCE	SOURCE
Assess ML/TF/PF risk.	Assess customers, geographies, products, channels, transactions, agents and technology and refresh after material change.	Methodology, assessment and approval.	Law No. 39, Articles 9-12; 2023 CDD Rules
Maintain internal controls.	Document governance, compliance responsibility, screening, training, escalation, quality assurance and independent testing proportionate to risk.	Policies, appointment, training and audit reports.	Law No. 39, Articles 12-14
Control groups and third parties.	Apply lawful group standards and oversee agents, outsourcers and vendors; document gaps and additional measures.	Contracts, oversight and remediation.	Law No. 39 and applicable CBI sector controls

3. NATURAL-PERSON IDENTIFICATION

Natural-person identification

CDD applies at onboarding and statutory risk triggers.

CONTROL	IMPLEMENTATION ACTION	EVIDENCE	SOURCE
Identify and verify customers.	Collect required identity particulars and verify them using reliable independent documents, data or information.	Identity record and verification provenance.	Law No. 39, Article 10(1)(a)
Verify representatives.	Identify and verify each person acting for a customer and confirm authority.	Representative KYC and mandate.	Law No. 39, Article 10(1)(b)
Understand purpose and monitor.	Record purpose and intended nature, risk-rate the relationship, scrutinize activity and keep CDD current.	Profile, monitoring and refresh history.	Law No. 39, Article 10(1)(c) and continuing CDD provisions
Control failed CDD.	Do not establish or continue a relationship where required CDD cannot be completed; assess immediate STR filing without tipping off.	Failure decision and reporting assessment.	2023 CDD Rules; Law No. 39, Article 12

4. KYB AND BENEFICIAL OWNERSHIP

KYB and beneficial ownership

Verify legal existence, ownership, authority and actual control.

CONTROL	IMPLEMENTATION ACTION	EVIDENCE	SOURCE
Verify legal persons and arrangements.	Obtain legal form, existence, governing documents, address, activity, directors and authorized persons and corroborate through the registry or other reliable sources.	Registry extract and constitutional documents.	Law No. 39, Article 10; Companies Law No. 21 of 1997
Identify beneficial owners.	Apply the current natural-person ownership and control cascade, take reasonable verification measures and document any senior-management fallback.	Ownership chart, control analysis and verified identities.	Law No. 39, Article 10; 2023 CDD Rules
Separate registry and AML tests.	Use company-member and director records as evidence, not as a substitute for analysis of ultimate natural-person control.	Reconciliation and discrepancy log.	Companies Law, Articles 128-132; 2024 MENAFATF MER

5. PEPS, EDD, AND REMOTE ONBOARDING

PEPs, EDD, and remote onboarding

Higher-risk relationships require additional controls.

CONTROL	IMPLEMENTATION ACTION	EVIDENCE	SOURCE
Identify PEP exposure.	Screen customers and beneficial owners for domestic, foreign and international-organisation PEP status, family and close associates.	Screening and classification.	Law No. 39, Articles 10-11; CBI PEP guidance dated 26 August 2026
Apply PEP controls.	Obtain required senior approval, establish source of wealth and funds, and apply enhanced ongoing monitoring.	Approval, corroboration and plan.	Law No. 39, Article 11; current CBI PEP guidance
Mitigate remote-onboarding risk.	Use approved identity methods and proportionate fraud, device, liveness, session and monitoring controls.	Method assessment and session logs.	2023 CDD Rules and applicable CBI digital-onboarding controls

6. MONITORING AND SUSPICIOUS REPORTING

Monitoring and suspicious reporting

Detection and filing must be immediate and confidential.

CONTROL	IMPLEMENTATION ACTION	EVIDENCE	SOURCE
Examine unusual activity.	Investigate complex, unusual, large or pattern-inconsistent transactions and attempted transactions and document findings.	Alert, analysis and decision.	Law No. 39, Articles 10 and 12
Report suspicion immediately.	Immediately report any suspicious or attempted transaction involving suspected money laundering or terrorist financing to the Iraqi AML/CFT Office.	Trigger timestamp, report, receipt and chronology.	Law No. 39, Article 12(5)
Use the live FIU route.	Use the current prescribed form and secure channel and preserve submission and receipt evidence.	Submitted form and receipt.	AML/CFT Office suspicious-transaction reporting guidance
Prevent tipping off.	Restrict access to STR existence, contents, analysis and authority communications.	Access logs and training.	Law No. 39 confidentiality provisions

7. TRANSFERS, PAYMENTS, AND AGENTS

Transfers, payments, and agents

Product and transaction rules are sector-specific.

CONTROL	IMPLEMENTATION ACTION	EVIDENCE	SOURCE
Do not invent a universal threshold.	Attach the current sector instrument to each threshold, aggregation rule, report and product; escalate uncertainty before deployment.	Versioned threshold register and tests.	Law No. 39 and current CBI sector controls
Carry required transfer information.	Capture required originator and beneficiary data, identify missing fields, and apply the current repair, reject, return and reporting rules.	Field matrix and sample tests.	Law No. 39; 2023 CDD Rules
License electronic payments.	Obtain the applicable CBI licence and approvals before providing payment, wallet, acquiring, processing or transfer services.	Product classification and CBI decision.	Electronic Payment Services Regulation No. 2 of 2024
Oversee agents and outsourcing.	Perform due diligence, contract controls, training, monitoring and termination procedures for agents and service providers.	Agent file, contract and monitoring.	Current CBI payments and AML controls

8. TARGETED FINANCIAL SANCTIONS AND CPF

Targeted financial sanctions and CPF

Use current national and UN directions and act without delay.

CONTROL	IMPLEMENTATION ACTION	EVIDENCE	SOURCE
Screen current designations.	Screen customers, beneficial owners, representatives and transactions at onboarding, on list updates and continuously.	List version, logs and decisions.	Law No. 39; 2025 CBI AML/CFT/PF controls
Freeze and report without delay.	Freeze assets when the operative Iraqi or UN-based procedure requires, prohibit dealing, and report through the current competent-authority route.	Match, freeze timestamp, inventory and report.	Law No. 39 and current national targeted-financial-sanctions procedure
Control PF exposure.	Apply current PF designations, ownership/control analysis, false-positive handling and release controls.	Procedure and authority decisions.	2025 CBI AML/CFT/PF controls

9. RECORDS AND AUTHORITY ACCESS

Records and authority access

Records must reconstruct identities, transactions and decisions.

CONTROL	IMPLEMENTATION ACTION	EVIDENCE	SOURCE
Retain AML records at least five years.	Keep customer and beneficial-owner files and transaction records for at least five years from account closure or transaction completion, as applicable, and longer when lawfully directed.	Schedule, archive and retrieval test.	Law No. 39, Article 12; 2025 CBI controls, record-retention provisions
Reconstruct decisions.	Preserve sufficient data to reconstruct onboarding, risk, monitoring, reporting and sanctions decisions.	Complete sample case.	Law No. 39, Article 12
Produce records lawfully.	Use controlled retrieval and disclosure workflows for the AML/CFT Office, CBI and other competent authorities.	Request, approval, production and receipt.	Law No. 39, Articles 8 and 12

10. DATA GOVERNANCE AND BIOMETRICS

Data governance and biometrics

Use constitutional privacy, electronic-record, secrecy, cybersecurity and sector rules.

CONTROL	IMPLEMENTATION ACTION	EVIDENCE	SOURCE
Map lawful collection and disclosure.	Document purpose, necessity, access and authorized disclosure for identity, biometric, financial and screening data.	Data inventory and disclosure log.	Constitution Article 17; Law No. 78 of 2012; sector secrecy rules
Protect identity and biometric data.	Minimize collection, restrict access, secure storage and transmission, test incidents and assess vendors.	Security assessment, access logs and tests.	Law No. 78 of 2012 and applicable CBI cybersecurity controls
Assess hosting and transfers.	Obtain Iraqi counsel and supervisor confirmation on current hosting, localization, transfer, secrecy and breach duties before production use.	Dated assessment and contract controls.	Current Iraqi electronic-transactions, cybersecurity and sector rules

11. PRACTICAL EVIDENCE PACKS

Practical evidence packs

Evidence must reconstruct decisions end to end.

CONTROL	IMPLEMENTATION ACTION	EVIDENCE	SOURCE
Maintain onboarding packs.	Bundle identity, authority, KYB, beneficial ownership, PEP, sanctions, purpose, risk and approval evidence.	Complete sample and retrieval result.	Operational control supporting Law No. 39, Articles 10-12
Maintain reporting and sanctions packs.	Link trigger, analysis, decision time, filing, receipt, freeze and authority correspondence.	Case pack and timeline.	Law No. 39, Article 12
Maintain a launch and legal-change pack.	Record perimeter, licences, thresholds, sanctions, privacy, vendors, source versions and control tests.	Signed pack and source register.	Official sources listed below

SOURCES AND FURTHER READING

Verify against current official material

Primary law and regulator guidance control. Contextual VOVE ID reading is included to help teams operationalize the requirements and is not legal authority.

Anti-Money Laundering and Counter-Terrorism Financing Law No. 39 of 2015
Iraqi AML/CFT Office / Central Bank of Iraq · Primary legislation - official English text
Open official source

AML/CFT Office documents index
Iraqi AML/CFT Office · Official authority index
Open official source

Customer due-diligence rules for financial institutions and DNFBPs
Central Bank of Iraq / AML/CFT Office · Official rules index
Open official source

AML/CFT/PF supervisory controls published 8 January 2025
Central Bank of Iraq · Official supervisory controls
Open official source

CBI bank supervisory instructions and current PEP guidance
Central Bank of Iraq · Official supervisory index
Open official source

Electronic Payment Services Regulation No. 2 of 2024
Central Bank of Iraq · Official payment regulation
Open official source

CBI electronic-payments legal framework
Central Bank of Iraq · Official licensing framework
Open official source

Companies Law No. 21 of 1997 as amended
Iraq Securities Commission · Primary company legislation - official English text
Open official source

Electronic Signature and Electronic Transactions Law No. 78 of 2012
Ministry of Justice · Primary legislation - Official Gazette English text
Open official source

Mutual Evaluation Report of Iraq, May 2024
MENAFATF · Authoritative mutual evaluation
Open official source

FATF increased-monitoring statement - 30 October 2026
FATF · Authoritative current public-list status
Open official source

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