



Internal Regulations of Asia Iraq Islamic Bank for Investment and Finance

2025

Chapter One

Definitions, Objectives, and Activities of the Bank

General Regulations:

- Definitions, Objectives, and Activities of the Bank

According to the circular issued by the Central Bank of Iraq regarding the regulations and conditions that must be met by candidates for leadership positions in banks operating in Iraq, all candidates for positions in the bank are subject to the following regulations, whether they are issued under previous or subsequent regulations:

1. The candidate must be a person who is fit, eligible, and legally qualified.
2. The candidate must provide a clearance certificate from the bank or any institution they previously worked for.
3. The candidate must provide a clearance certificate stating that they have not received any credit facilities (either cash or contingent) from the bank they previously worked for. In case they have received such facilities, they must provide proof of repayment, including a statement confirming that they did not delay the payment.
4. The candidate must not have been convicted of a felony or misdemeanor that undermines their honor and must not have a decision from a specialized authority that affects their eligibility to hold any leadership position in a bank or company.
5. The candidate must not have held a senior or executive leadership position in a bank or financial company that has failed or declared bankruptcy due to poor management.
6. The candidate must reside in Iraq and have a permanent and known residence. They must be fully dedicated to banking work, except for board members, and must not be employed by another bank, company, or financial institution, except for advisors.
7. The candidate must not be a government employee at the level of Director-General or equivalent or higher, according to the State Employees Disciplinary Law No. 14 of 1991 (amended).
8. The candidate must have completed several advanced training courses in the relevant field of the position they are nominated for.

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9. The preliminary approval granted to candidates for positions is valid, and those who receive it have full authority and signing rights, with full responsibility for any misuse.
10. The candidate must not hold more than one position in the bank.
11. The appointment of a candidate to any administrative position in the bank or any other bank will not be accepted unless at least one year has passed since their initial appointment and approval, to ensure stability in the banking workforce.
12. Previous experience in money transfer companies is considered part of the required experience for holding leadership positions in private banks, provided that the applicable conditions, regulations, and instructions are followed.
13. Candidates must pass the interview and test conducted by the Central Bank of Iraq.
14. Any candidate whose qualifications conflict with the required instructions will be presented to the exceptional interview and testing committee, provided they have exceptional experience and qualifications.

Article (1) – Definitions:

The following expressions shall have the meanings indicated opposite them for the purposes of this system:

The Bank: The Central Bank of Iraq.

The Bank (Financial Institution): Asia Iraq Islamic Bank for Investment and Finance

Private Shareholding Company.

The Board: The Board of Directors of the bank.

Chairman of the Board: The Chairman of the Board of Directors of the bank.

Article (2) – Objectives of the Bank:

The bank aims to engage in banking activities allowed under the principles and regulations of Islamic Sharia (without interest, both in receiving and providing) in commercial, financial sectors, investment activities, and financing projects related to industrialization, economic development, urban housing, agriculture, commerce, and social sectors. The bank seeks to

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contribute to the economic and social development of the country, ensuring the growth and prosperity of the economy while enhancing the overall economic growth rates.

In order to achieve its objectives, the bank will carry out its banking activities according to the following areas:

1. Providing banking services and engaging in financing and investment activities based on non-interest principles in all its forms and types.
2. Developing methods to attract and grow funds and savings by participating in productive investments using methods, means, and formulas that do not conflict with the provisions of Islamic Sharia.
3. Contributing to economic and social development.

Article (3) – Activities of the Bank:

The bank operates in accordance with the provisions of the Central Bank Law No. (56) of 2004, the Banks Law No. (94) of 2004, the Companies Law No. (21) of 1997, the Islamic Banks Law No. (43) of 2015, and exercises its activities, whether for its own account or for others, both inside and outside Iraq, in all areas of Islamic banking permitted by law. These activities include:

1. Financing and investing in various projects and activities that do not conflict with Islamic Sharia.
2. Entering into contracts and agreements with individuals, companies, institutions, and organizations both inside and outside Iraq, in compliance with Islamic Sharia.
3. Establishing companies or contributing to them in various fields that complement its activities, and participating in existing companies whose activities are not prohibited by

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Sharia, with the approval of the Central Bank of Iraq and within the percentage of the bank's capital and reserves as determined by the Central Bank of Iraq.

4. Contributing to the capital of licensed Islamic banks inside and outside Iraq, after obtaining the approval of the Central Bank of Iraq.
5. Opening accounts and accepting deposits.
6. Owning movable and immovable property, selling, investing, leasing, and renting it, including reclaiming owned or leased land and preparing it for agriculture, industry, tourism, and housing, after obtaining approval from the Central Bank of Iraq, and transferring the ownership of properties once the purpose for which they were established is completed.
7. Establishing investment portfolios, investment funds, and issuing joint mudarabah certificates or dedicated mudarabah certificates in accordance with the regulations set by the Central Bank of Iraq.
8. Establishing mutual insurance funds for the benefit of the bank or its clients in various fields.
9. Accepting commercial and financial papers for safekeeping, collecting the rights associated with them for their owners, and paying and collecting checks, orders, and payment instructions, as long as they do not involve interest or violate the provisions of Islamic Sharia.
10. Providing financing for the purpose of foreign currency transactions in spot exchange markets.
11. Investing deposits under an agency contract for a fixed fee, or receiving a fixed fee plus a share of the profits generated from the investment process, if the profits exceed a certain threshold previously specified in the contract.
12. Disposing of depositors' funds after obtaining their consent or as agreed upon at the time of deposit.

Article (4) – Prohibited Activities:

The bank is prohibited from engaging in the following activities:

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1. Dealing in bank interest, both in receiving and providing.
2. Investing in or financing goods or projects that are not permitted by Islamic Sharia.
3. Financing brokerage operations in real estate projects.
4. Exceeding the value of fixed assets intended for its own use by more than (30%) of its net core capital, and ensuring that its investments in fixed assets, including the above-mentioned percentage, do not exceed (50%) of the value of its investment portfolio.

Chapter Two Board of Directors of the Bank

Article (5):

The Board of Directors of the bank is responsible for overseeing the management of the bank's operations, formulating policies, plans, procedures, and regulations specific to the bank.

Article (6) – Formation of the Board:

The board is formed in accordance with the Banks Law, the Companies Registration Law, and the instructions of the Central Bank of Iraq, as follows:

1. The Board of Directors shall consist of no fewer than seven members, elected at the General Assembly meeting in accordance with the cumulative voting system. The number of independent members must not be less than four members or one-third of the total board members, with one member representing the minority shareholders. This member may be one of the independent members. The board elects from among its members a Chairman and a Vice Chairman. The board may also have reserve

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members, selected in the same manner and number. Most members should have significant banking experience and should not be employed full-time at the bank.

2. If a vacancy occurs in the board membership, the Chairman of the Board will invite the reserve member who received the most votes to fill the position. If more than one reserve member has an equal number of votes, the Chairman will select one of them.
3. If multiple vacancies occur in the Board of Directors, and there are not enough reserve members to fill these vacancies, the Chairman of the Board will call a General Assembly meeting to elect new members to complete the vacancies within sixty days from the date the vacancies arise, after considering the reserve members and electing new reserve members to replace them.
4. If half of the board members lose their positions at the same time, the board shall be considered dissolved. The board is required to call a General Assembly meeting within thirty days from the date of the loss to elect a new board.
5. The previous Board of Directors shall continue to operate until official approvals are obtained for the appointment of the new board from the Central Bank and the Companies Registrar, for a period not exceeding ninety days. The Central Bank of Iraq must be provided with the names of the candidates for the new board on nomination forms sixty days before the General Assembly meeting.

Article (7) – Membership Requirements:

The following conditions must be met for anyone to hold the position of Chairman or Member of the Board of Directors of the bank:

1. Fulfillment of the legal requirements stipulated in the Banks Law No. (94) of 2004 and the Companies Law No. (21) of 1997 and its amendments.
2. Two-thirds of the Board members must have university-level qualifications and experience in banking.

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3. They must be elected at the first regular meeting of the General Assembly.
4. They must have legal eligibility and be fit and qualified individuals.
5. The candidate must be at least 30 years old.
6. They must own qualifying shares in the bank's capital, not less than 2,000 shares.
7. They must not be an executive who has previously been dismissed from office by the Central Bank of Iraq.
8. They must not be prohibited from board membership by law or a decision issued by a competent authority.
9. They must not be the Chairman or a member of the Board of Directors of another bank or company engaged in similar activities, unless the bank is a subsidiary of another bank, and both banks are under joint control, provided that such members do not constitute the majority of the Board in such a case.
10. They must not be a government employee heading a ministry or holding a position in the Cabinet.
11. All members of the Board must act with integrity and good faith, and carry out their roles with precision, expertise, and perseverance to achieve the best interests of the bank.

Article (8) – Duration of Membership:

The membership term of the board members shall not exceed four years from the date of the first meeting of the board. A member may be re-elected for a second term, which is the maximum duration.

Regulations for the Appointment of Chairmen and Members of Boards of Directors as per the Central Bank Circular / Banking Supervision Department / Commercial Banks Supervision Division / Regulations and Instructions Section No. 9 / 2 / 176 dated April 30, 2019, based on

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the decision of the Central Bank of Iraq's Board of Directors No. (50) of 2019 taken in session 1581 on April 22, 2019:

1. Educational and Experience Requirements for Board Members:

The majority of the Board members must hold a bachelor's degree in one of the following fields: Economics, Law, Public Administration, Financial Management, Accounting, Financial and Banking Sciences (i.e., half of the members plus one). An equal number of reserve members should be available. At least four of the members must have a minimum of 10 years of practical banking, financial, or legal experience to ensure the bank can keep pace with developments in the banking system. The minimum qualification for nomination to the board membership may be a high school diploma, provided that the person possesses the necessary qualifications and experience in banking, financial, or legal matters. A university degree is preferred for board membership and is a mandatory requirement for the Chairpersons and Chief Executive Officers of the banks.

2. Board Composition and Voting:

The board must consist of at least 7 members, with an equal number of reserve members. They should be elected according to the cumulative voting system at the General Assembly meeting. At least four members or one-third of the members of the board should be independent, with one member representing the minority shareholders. This member can also be one of the independent members.

3. Minimum Age:

Board members must be at least 30 years old.

4. Term of Appointment:

The term of appointment for board members should not exceed four years, with the possibility of extension for the same duration. This is in accordance with paragraph (2) of Article (17) of the Banks Law No. 94 of 2004. As a result, a Chief Executive Officer of a bank cannot continue in the position if their term on the board has expired.

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5. Previous Involvement in Failed Banks or Financial Institutions:

The current Chairman or Board member should not have previously served as the Chairman or a Board member of a bank or financial company that has been declared bankrupt or placed under guardianship, either inside or outside Iraq, according to the provisions of Article (20) of the Banks Law No. 94 of 2004. However, paragraph (3) of this article allows exceptions in extraordinary circumstances.

6. Exception for Board Members:

The Central Bank, upon being satisfied with the qualifications and professional experience of a person, may exempt any executive from the provisions of paragraph (2) after a reasonable period has passed since the event in question, and from the provisions of paragraph (1) after ten years have passed since the event.

7. Duration of Previous Board's Term:

The previous Board of Directors shall continue to operate until the formal approvals for appointing the new board are obtained from the Central Bank and the Companies Registration Division at the Ministry of Trade. This period shall not exceed ninety days, and the names of the candidates must be submitted to the Central Bank for review at least ninety days before the expiration of the previous Board's term.

8. Effectiveness of Regulations:

The regulations will be effective once approved by the Central Bank and shall be applied by the banks to the new board member candidates once the specified term for the current board members expires.

Article (9) – Board Meetings:

1. The Board of Directors shall meet within seven days from the date of its election and shall elect, through secret ballot, a Chairman and a Vice Chairman, who will replace the Chairman in their absence.
2. The Board shall meet at least once every two months, convened by the Chairman or upon the request of any other board member.
3. Board meetings will be held at the bank's headquarters or at any other location within Iraq chosen by the Chairman if the meeting cannot be held at the headquarters.

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4. The legal quorum for the meeting will be calculated thirty minutes after the scheduled time for the meeting, and the meeting shall be considered valid with the attendance of the majority of board members.
5. Decisions of the Board are made by the absolute majority of the members present. In the event of a tie vote, the Chairman's vote will decide the outcome.
6. The Board's decisions are effective from the date of issuance in accordance with the provisions of the law.
7. The decisions of the Board are recorded in a special register, which is signed by the members present.
8. Copies of the Board's decisions, once approved by the Companies Registrar, serve as valid documents to be submitted to any relevant authority.

Article (10) – Powers and Authorities of the Board:

The Board of Directors is responsible for the following powers and authorities:

1. The Board is accountable for all bank operations before the General Assembly and ensures the soundness of its banking operations. It must guarantee that the bank is managed properly and in compliance with applicable laws, regulations, and internal policies.
2. The Board defines the bank's strategic objectives and sets all policies related to risk management, investment policies, minimum capital adequacy ratios, accounting standards, and internal control systems of the bank.

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3. The Board approves the bank's objectives, strategies, plans, and significant policies in a clear and specific manner on a regular basis. Additionally, it provides guidance and oversight on the executive management responsible for daily operations.
4. The Board appoints two external auditors for the bank's accounts and a Chief Executive Officer from among its members. It also approves the appointment of qualified, experienced, and specialized executive directors.
5. The Board ensures that each member is committed to representing all shareholders and protecting the bank's interests. This includes safeguarding the bank from illegal activities and actions that could negatively impact the bank and its shareholders.
6. Board members must understand their supervisory role and are obliged to act with diligence and integrity toward the bank, its shareholders, other stakeholders, and society at large. They must dedicate sufficient attention and time to fulfill their responsibilities and perform their duties effectively.
7. Board members must avoid participating in decision-making when there is any conflict of interest that prevents them from properly safeguarding the bank's interests.

8. Organizational Structure:

The Board must establish an organizational structure that clearly defines the responsibilities and accountability of all employees in the bank.

9. Executive Management Principles:

The Board must ensure that the executive management practices principles and concepts that align with the Board's policies. Additionally, the responsible individuals within the bank must possess the necessary skills to manage the bank's operations. The bank's activities must be conducted in accordance with the policies and systems set by the Board.

10. Compliance with Strategic Policies:

The Board must ensure that the executive management implements the bank's strategic policies and refrains from engaging in activities, relationships, or situations that undermine

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governance, particularly conflicts of interest, lending, or granting preferential advantages to certain shareholders or related parties. The Board and senior management must ensure adequate protection for employees who report violations of banking regulations from any retaliatory or punitive actions, either directly or indirectly.

11. Formation of Committees:

The Board forms various committees and assigns responsibilities to its members to help carry out its duties, such as the Risk Committee, Audit and Compliance Committee, Credit Committee, Compensation and Benefits Committee, and others. Each committee shall have a defined set of tasks and responsibilities, and these committees will submit regular reports to the Board.

Chapter Three

Shari'a Supervisory Board

Article 11 – Appointment of the Shari'a Supervisory Board:

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1. The General Assembly of the Bank, with the approval of the Central Bank of Iraq, shall appoint a body known as the (Shari'a Supervisory Board).
2. The Shari'a Supervisory Board consists of five (5) members, at least three (3) of whom must be experts in Islamic jurisprudence and its principles, and at least two (2) must be experts in banking, legal, and financial matters.
3. None of the members of the Shari'a Supervisory Board shall be shareholders in the Bank, members of the Board of Directors of the Bank, or employees of the Bank's subsidiaries within the last two years prior to the appointment. Furthermore, none of the members shall have a close family relationship (up to the second degree) with senior executive staff, either current or former, at the Bank or any of its subsidiaries (in the current or previous year). Additionally, no member of the Shari'a Supervisory Board shall be a member of another Shari'a supervisory board in any other Islamic bank in Iraq. The Board of Directors and the Chairman of the Shari'a Supervisory Board are responsible for notifying the Central Bank of Iraq of any potential or actual conflicts of interest.
4. The qualification of the Chairman of the Shari'a Supervisory Board must be at least a Master's degree from a recognized university in Islamic studies, including Islamic finance, and must have at least three (3) years of experience in issuing fatwas and Shari'a rulings or four (4) years of teaching or research experience in the field of Islamic finance after graduation.
5. The members of the Shari'a Supervisory Board must hold at least a Bachelor's degree in the relevant field and are subject to examination by the Central Bank of Iraq's examination body.
6. Members of the Shari'a Supervisory Board may not be administrators, employees, directors, or shareholders in the Bank.
7. The term of membership is three (3) years, renewable with the approval of the Bank's General Assembly, after obtaining approval from the Central Bank of Iraq.

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8. The individual must not have been convicted of any crime or misdemeanor that undermines honor, particularly crimes related to fraud, embezzlement, or financial crimes.
9. The individual must not be an owner, manager, or director of a bank, company, organization, or business that was refused registration, licensing, or membership, or whose registration, license, or membership was revoked, resulting in a prohibition on engaging in commercial or other licensed activities.
10. The individual must not have been a manager or partner in a company or project that faced insolvency, inability to pay debts, or compulsory liquidation while they were associated with the company or shortly after leaving it (e.g., within one year).
11. The individual must not have been dismissed or had their resignation requested from a position of trust, fiduciary duty, or any similar responsibility due to issues related to trustworthiness.
12. The individual must not have been removed from their position as a manager or had their administrative powers revoked due to misconduct.
13. The individual must show a willingness to adhere to the regulatory requirements, supervisory standards, legal obligations, and other professional standards.
14. The decisions of the Shari'a Supervisory Board are binding on the Bank.
15. The Shari'a Supervisory Board may only be dissolved or any of its members removed by a substantiated decision from the Board of Directors, approved by a two-thirds majority of the Board and the General Assembly of the Bank.

Article (12) – Duties and Responsibilities of the Shariah Supervisory Board:

1. Monitor the bank's activities and operations and ensure its compliance with Islamic Sharia principles.
2. Review the reports of the Shariah Audit Department in the bank or its branches.
3. Consider matters assigned to it by the Board of Directors of the bank and prepare the necessary reports.

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4. Submit a report on its activities and the bank's compliance with Shariah principles to the bank's shareholders during the annual general meeting.
5. Provide Shariah opinions on the bank's activities, operations, and contracts in accordance with Islamic Sharia principles.

Chapter Four

Bank Management

Article (13) – The Authorized Director:

The Bank's Board of Directors appoints one of its members as the Authorized Director, who is responsible for implementing the decisions of the Board and managing the daily operations of the bank, and running its activities within the powers granted to him by the Board.

1. Conditions and Qualifications: a. The candidate must be at least (30) years old. b. The candidate must have legal capacity and be a suitable, healthy individual, with the mental and physical ability to develop and manage field activities. c. The candidate must reside in Iraq with a permanent and known place of residence and must be dedicated to working at the bank's headquarters. He must not be employed in any other bank, company, or financial institution. d. The candidate must hold at least a Bachelor's degree in relevant fields (Economics, Law, Public Administration, Financial Management, Accounting, Financial and Banking Sciences, or other fields related to banking work). e. The candidate must possess the banking competence and experience required for banking operations, with at least (10) years of banking experience. f. The candidate must not have been convicted of any felony or misdemeanor affecting honor, and must not have any decision issued against him by a competent authority preventing him from

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holding any leadership position in a bank or company. g. The candidate must obtain a clearance certificate from any previous bank where he may have held this or any other position. h. The candidate must not have been dismissed from a previous position by the Central Bank of Iraq for any reason and must not have been a director of a bank whose license was revoked, liquidation was decided, or bankruptcy was declared during his tenure. However, the Central Bank may, after being convinced of his qualifications, experience, and conduct, exempt the candidate from this condition after a period of ten years following the relevant event. i. The Authorized Director may be a non-Iraqi national, provided that the same conditions applicable to the Iraqi counterpart are met. j. The appointment must be approved by the Central Bank of Iraq.

2. Duties: a. Supervise the bank's organizational structures and monitor their activities. b. Represent the bank before courts, government agencies, organizations, and individuals, with the authority to delegate others for this purpose. c. Implement the decisions of the Board and any other duties or responsibilities entrusted to him by the Board, and he is directly accountable to the Board for all the bank's operations. d. Issue decisions, orders, instructions, and correspondence in the name of the bank regarding any matters related to the bank's activities. e. Be fully dedicated to the bank's operations and may not undertake any work unrelated to the bank's business, even during non-working hours.

3. Powers:

a. Administrative Powers:

1. Sign all letters and correspondence related to the bank.
2. Appoint employees within the bank recommended by the Appointment Committee (except those at the managerial level and above), determine their salaries and bonuses according to the salary system, transfer them from one position to another within their duties, and grant him the authority to appoint for lower-level positions such as tellers, guards, technicians, and drivers, subject to the approval of the Board of Directors.

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3. Grant regular leave to employees at or below the managerial level.
4. Accepting the resignation of employees below the managerial level and terminating their services according to labor law and the applicable regulations, and obtaining the Board's approval for employees at the managerial level and above.
5. Withholding the annual increment from employees when there is a valid reason, with the Board of Directors being informed.
6. Forming investigative and auditing committees, permanent committees, and any other important committees to facilitate the bank's operations, following up on their work, and presenting the results to the Board.
7. Approving the dispatch of employees to branches outside Baghdad for various purposes.
8. Appointing acting managers for departments and branches during the absence of their managers due to regular or sick leave or any other reason.
9. Approving the participation of employees in banking courses organized by training centers and specialized entities inside and outside Iraq, and paying the related fees with the Board's approval.
10. Granting authority to employees to sign for levels (A) and (B), subject to presentation to the Board of Directors for approval.

B. Financial Powers:

1. Approving the opening of accounts with the Central Bank and other banks inside and outside Iraq, as well as deposits and withdrawals, with a joint signature with one of the authorized signatories from level (A).
2. Issuing instructions to organize banking activities in accordance with the bank's articles of incorporation, the Central Bank Law No. 56 of 2004, the Companies Law No. 21 of 1997 and its amendments, the Banking Law No. 94 of 2004, the Islamic Banks Law No. 43 of 2015, the Anti-Money Laundering Law No. 39 of 2015, the Commercial Law, and any instructions set by the Central Bank of Iraq.

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3. Signing the final budget of the bank jointly with the General Accounts Manager to be presented to the Board of Directors.
4. Approving expenditures up to (_____) dinars for purchasing furniture, equipment, machines, devices, stationery, and printed materials through the approved procurement committee or via tender, with the Board's approval.
5. Approving expenditures up to (_____) dinars, for various services, transportation costs, or the transport of individuals or materials, and other necessary matters, within the allocated budget.
6. Approving expenditures for repair, maintenance, and upkeep of bank-owned or leased buildings, up to (_____) dinars per case, within the approved budget, through a committee formed for this purpose, and with the Board's approval.
7. Approving the settlement of advances granted to bank employees to cover expenses for official missions inside or outside Iraq, upon their return from travel and submission of the necessary reports.
8. Authority to hire Arab and foreign experts from outside Iraq as needed by the bank, after obtaining approval from the Board of Directors. The signing of contracts for their recruitment, determination of their fees, allowances, and payment of visa, accommodation, and travel expenses as stipulated in the contract, and communication with the Central Bank of Iraq.
9. Taking necessary actions based on reports from the Central Bank, auditors, and the results of internal Shariah audit department reports after being presented to the Board of Directors.

C. Legal Powers:

1. Representing the bank before various government departments, the judiciary, appointing specialized lawyers, and signing correspondence and documents on behalf of the bank or authorizing someone to act on its behalf in these matters.
2. Signing all contracts related to the bank with other parties, representing the bank to execute works, procure equipment required by the bank, or conduct any sale or purchase operation, among others. This is done after obtaining the approval of the Board of Directors, and may involve signing documents, minutes, and records before registration offices, traffic authorities, tax departments, assessors, employees, or any other relevant authority or institution across Iraq, provided that it does not conflict with laws, the Central Bank's regulations, or relevant authorities.

D. Investment, Financing, and Credit Powers (Guarantee and Cash):

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1. Authority to approve the issuance of letters of guarantee, whether performance or financial, up to (_____) dinars, with collateral determined by the bank's high credit committee, provided they comply with the instructions and regulations of the Central Bank of Iraq and are approved by the bank's high credit committee.
2. Authority to approve the purchase of bonds and internal transfers, up to (_____) dinars per customer, depending on the nature of each transaction, with the approval of the Bank's Investment and Credit Committee.
3. Authority to grant loans or allocate credits not exceeding (_____) dollars (or its equivalent in Iraqi dinars) per transaction, with the approval of the Bank's Investment and Credit Committee.
4. Authority to reduce the commission on the issuance of letters of guarantee by up to half of the prescribed rates for distinguished customers, companies, and banks, with the approval and direction of the Investment and Credit Committee. The same applies to reducing collateral requirements.
5. Opening letters of credit after approval from the Bank's Investment and Credit Committee, in accordance with the pricing table for banking operations.

Article (14) – Deputy Director General:

The Deputy Director General is appointed with the approval of the Board of Directors and assists the Director General in managing and executing the daily operations of the bank within the powers granted to him. The Deputy Director General shall act in place of the Director General and exercise all his powers in case of his absence from the bank for any reason.

First – Conditions and Qualifications:

1. He must be at least 30 years old.
2. He must have legal competence, be physically fit, and possess the mental and physical capacity for development and field follow-up.
3. He must reside in Iraq and have a permanent and known residence, and must be dedicated to working in the bank's general administration. He should not be employed in another bank, financial institution, or company.

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4. He must hold at least a bachelor's degree in disciplines related to his work (economics, law, public administration, financial management, accounting, financial and banking sciences, or other relevant fields).
5. He must possess the necessary banking competence and experience required for banking operations, with at least 5 years of banking experience.
6. The candidate must not have been convicted of a felony or misdemeanor involving dishonor, and no decision should have been issued by a competent authority preventing them from holding any executive position in a bank or company.
7. The candidate must not be appointed to this position without obtaining a clearance from their previous bank if they previously held this position or any other role there.
8. The candidate must not have been a key employee in a bank or company that was declared bankrupt.
9. The approval of the Central Bank of Iraq must be obtained for their appointment.

Second – Powers:

A. Administrative Powers:

1. The Deputy Director General performs the tasks of the Director General and enjoys all his powers in his absence.
2. Supervising incoming correspondence from departments, branches, or external sources.
3. Signing administrative orders and internal memoranda after prior approval from the Director General.
4. Signing correspondence related to the bank with relevant authorities, except for communications addressed specifically to the Director General.
5. Proposing amendments and additions to the duties of departments and branches and forming committees to improve workflow and performance.
6. Recommending issuing letters of appreciation or imposing sanctions on bank employees.
7. Granting regular leave for up to 10 days for bank employees below the manager level.
8. Signing referral letters to health centers and medical committees for employees below the manager level.
9. Contributing to the preparation of reports and studies related to the bank's work.

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10. Submitting resignation requests for employees to the Director General with an accompanying recommendation.
11. Recommending the termination of employees due to work negligence, incompetence, or redundancy.
12. Recommending approval for changes in job titles or granting signature powers for categories (A) and (B) (internal and external) for bank employees through the Appointment and Promotion Committee.
13. Recommending assigning employees additional tasks outside working hours or on official holidays.
14. Proposing and nominating employees for developmental courses held inside and outside Iraq.
15. Approving the consideration of an employee's absence without prior consent as regular leave or unauthorized absence without pay, as appropriate.
16. Directly supervising the work of the bank's departments and branches, monitoring performance, and reporting to the Director General.

B. Financial Powers:

1. Approving expenditures for repairs, maintenance, and upkeep of bank buildings up to (____ dinars) per case, through a committee formed for this purpose.
2. Approving expenditures for the repair of furniture, machinery, and equipment, up to (____ dinars) per occasion.
3. Approving expenditures for various services, including hospitality, porter fees, and other routine work-related expenses, up to (____ dinars).
4. Approving transport fees for employees to perform bank tasks, up to (____ dinars) per occurrence.
5. Approving financial advances for covering travel and mission expenses for bank employees within or outside Iraq.
6. Approving the issuance of checks and transfers between accounts for cases exceeding (____ million dinars) or (____ thousand dollars).

Consultant Appointment Guidelines

- A. The consultant must be at least 30 years old.

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B. The consultant must hold at least a bachelor's degree in disciplines relevant to banking and financial work, such as (economics, law, public administration, financial management, business administration, accounting, financial and banking sciences, or other related fields).

C. The consultant must have banking and practical experience of at least 10 years for holders of a bachelor's degree, 8 years for holders of a master's degree, and 6 years for holders of a doctorate.

D. The consultant must undergo an advanced training program in all areas of banking work to keep up with modern financial and banking developments.

Chapter Five

Bank Organizational Structures and Their Responsibilities

Article (15) – Classification of Bank's Organizational Units

First – Organizational Units and Their Responsibilities:

A – Units Reporting to the Board of Directors:

1. Shariah Supervisory Board
2. Shariah Compliance and Monitoring Department
3. Anti-Money Laundering and Terrorism Financing Department
4. Risk Management Department
5. Internal Shariah Auditing Department — through the Shariah Supervisory Board
6. Board of Directors Secretariat

B – Committees Reporting to the Board of Directors According to the Bank's Corporate Governance Guidelines:

1. Governance Committee
2. Nomination and Remuneration Committee
3. Risk Management Committee
4. Audit Committee

C – Committees Reporting to the Executive Management According to the Bank's Corporate Governance Guidelines:

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1. Credit Committee
2. Investment Committee
3. Information Technology and Communications Committee

Second – Units Reporting Directly to the CEO:

1. CEO's Office
2. All departments

Department	Subdivisions
1. International Department	1 – Letter of Credit Section
	2 – Correspondence and External Relations Section
	3 – International Transactions Accounts Section
	4 – Foreign Remittances Section
	5 – Foreign Currency Buy/Sell Window Section
	6 – Customs Declaration Follow-up Section
2. Payments Department	1 – RTGS Section
	2 – ACH Section
3. Banking Credit Department	1 – Cash Credit Section
	2 – Committed Credit Section
4. Investment Department	
5. Financial Department	1 – Salaries and Expenses Section

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Department	Subdivisions
	2 – Budget Section
	3 – Correspondents and Branches Accounts Section
	4 – Shareholders Affairs Section
	5 – Treasury Section
6. Information Technology Department	1 – BANKS System Section
	2 – Banking Systems Section
	3 – Maintenance Section
7. Administrative and Human Resources Department	1 – Personnel Section
	2 – Stores Section
	3 – Services and Maintenance Section
	4 – Public Relations Section
	5 – Development and Training Section
8. Legal Affairs Department	
9. Banking Awareness and Public Protection Department	
10. SWIFT Section	

Third – Units Reporting to the Deputy CEO:

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All the previous departments are administratively linked, but not executively, and as specified by the special powers approved by the Board of Directors

Article (16) – Responsibilities and Duties of Departments:

Powers of Department Heads:

1. Supervise and follow up on all administrative and technical activities of the department, and be directly responsible for them to the bank's executive management.
2. Sign all internal correspondence related to the department, and sign external correspondence as a second authorized signatory along with the CEO.
3. Issue internal circulars to organize the department's work after consulting with the executive management (each according to their specialization).
4. Sign the time-off forms for department employees.
5. Recommend assigning extra work to department employees after regular working hours or during official holidays, if there is an urgent need for it.
6. Sign all records, schedules, and notifications related to the department's work, and follow up on all accounting matters, organizing and posting records, and reconciling department accounts.
7. Recommend disciplinary action for underperforming employees or rewards for exceptional employees (to be submitted to the executive management).
8. Conduct the annual evaluation of department employees' performance or recommend granting annual bonuses, withholding them, or proposing a change in job titles or authorizing signature rights.

First – Head of the Sharia Compliance and Monitoring Department and Assistant:

A – Conditions and Qualifications:

1. The Compliance Officer and their assistant must be at least 30 years old, legally qualified, and suitable individuals.

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2. They should have a strong understanding of laws and regulations, with regular updates on the latest legal developments.
3. They must possess integrity, neutrality, honesty, communication skills, and professional and ethical standards.
4. The head of the Sharia Compliance Department and their assistant must hold at least a bachelor's degree in relevant fields (e.g., economics, law, public administration, financial management, accounting, financial and banking sciences, or other fields related to banking).
5. The Compliance Officer must have at least 5 years of experience in the financial, banking, and regulatory sectors, plus 50 hours of training and a good command of English. The assistant must have at least 3 years of banking experience, plus 75 hours of training.
6. They must be residents of Iraq, dedicated to this position, and not employed by any other bank, company, or financial institution.
7. They should not have been convicted of any crime or misdemeanor that would affect their reputation, nor have a decision from a competent authority preventing them from holding any leadership position in a bank or company.
8. They should not be key employees in a bank or company that has previously declared bankruptcy.

B – Duties and Responsibilities:

As outlined in Article (71) of the Compliance Officer's responsibilities under Instructions No. (4) to facilitate the implementation of the Iraqi Banking Law No. (94) of 2004:

1. The Compliance Officer is responsible for ensuring that the bank complies with the board's decisions, internal policies, and procedures set by the Central Bank of Iraq and other relevant governmental entities. The officer attends the bank's Board of Directors' meetings in an advisory capacity.

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2. The department is responsible for studying the policy prepared and approved by the Board of Directors, devising procedures, mechanisms, and plans, and executing them in line with the approved policy.
3. The department should have comprehensive knowledge of the laws and regulations issued by the Central Bank of Iraq and other official bodies related to banking activities, operations, and administration.
4. The department should be well-informed about the banking services in Iraq, ensuring they align with the economic requirements and development of the Iraqi economy.
5. Propose necessary policies and procedures for new banking operations or update previous policies and procedures for existing banking operations based on the requirements of banking activities, to be approved by the bank's Board of Directors.
6. Review the policies, plans, and decisions of senior management, as well as the executive procedures related to the bank's activities, assess their compatibility and alignment with applicable laws, regulations, and regulatory instructions, monitor deviations, and provide recommendations to address them.
7. Submit monthly or quarterly reports to senior management and the Banking Supervision and Credit Department at the Central Bank of Iraq regarding identified deviations, including proposals and corrective actions to address them and prevent future occurrences. Maintain copies of these reports for review by the Central Bank upon request. Additionally, provide a summary of suspicious transaction reports to the Board of Directors, including additional details for significant cases.
8. Propose training programs regarding the established policies and procedures that must be followed, emphasizing the necessity of compliance from all employees.
9. Prepare a list of banking products and services and their areas of operation, helping identify any gaps in the bank's coverage of its services, in collaboration with various departments.

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10. Organize banking activities and services to comply with relevant legal requirements and related instructions, which can be done by identifying the applicable law and outlining the tasks and services under it that should be appropriately applied.
11. Maintain strong relationships with external regulatory authorities as well as senior and executive management within the bank, ensuring diverse channels for obtaining the necessary information.
12. Create a compliance-focused environment within the bank, ensuring that all employees understand the positive role of the Compliance Officer in assisting and advising to avoid non-compliance risks related to the bank's activities. The officer should also work on developing the bank's departments and banking products in relation to compliance with anti-money laundering and anti-terrorism financing regulations. Additionally, the Compliance Officer should collaborate with the Risk Management Department to identify potential risks faced by the bank, whether credit risks, market risks, fraud, theft, non-compliance with regulations, or operational risks. The Compliance Officer should also follow up with the Internal Audit Department on matters related to compliance.

Second – Director of the Anti-Money Laundering and Terrorist Financing Reporting Department and their Assistant:

A – Conditions and Specifications:

1. The Director of the Reporting Office and their Assistant must be at least 30 years old and must be of Iraqi nationality only.
2. They must have legal eligibility and be fit and suitable persons.
3. The Director and Assistant must hold at least a Bachelor's degree in fields relevant to their work (Economics, Law, Public Administration, Financial Administration, Accounting, Financial and Banking Sciences, or other related fields to banking activities). The Assistant Director may hold a diploma in any of the above-mentioned fields.

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4. The Director of the Anti-Money Laundering Reporting Department must have at least 3 years of experience in the (financial, banking, and regulatory) fields, along with 50 hours of training and a good command of the English language. The Assistant Director must have at least 1 year of banking experience with 75 hours of training.
5. Both the Director and Assistant must be residents of Iraq and fully dedicated to this position, and they must not be employed by any other bank, company, or financial institution.
6. They must not have been convicted of a felony or misdemeanor involving dishonor, nor should any decision have been issued against them by a competent authority that would prevent them from holding any executive position in a bank or company.
7. They must not be essential employees in a bank or company that has been declared bankrupt.

B – Duties and Responsibilities: The Director of this department must perform their duties independently, and the necessary means should be provided to help them carry out these tasks effectively. This requires the following:

1. No tasks should be assigned to the Director that conflict with their duties as the responsible head of the Anti-Money Laundering Department.
2. The department is responsible for reviewing the policy prepared and approved by the Board of Directors, developing mechanisms, procedures, and plans, and implementing them as outlined in the policy.
3. The Director has the right to access all information and review any records or documents they deem necessary to carry out their duties, including examining reports of unusual transactions and suspicious activity reports submitted to them, and to contact the relevant staff in the bank to execute these tasks.

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4. The Director has the right to submit reports to the Board of Directors and senior management in the bank to help enhance the efficiency and effectiveness of the anti-money laundering and anti-terrorist financing systems, and the compliance of the staff with these systems.
5. Full confidentiality must be guaranteed for all procedures related to receiving reports of unusual transactions and suspicious activity reports, and for the subsequent review and notification to the Anti-Money Laundering Office.
6. The Director is responsible for examining unusual transactions that are provided to them by the bank's internal systems and reviewing suspicious transactions reported to them by bank employees, accompanied by justifying reasons, or received from any other party.
7. The Director must notify the Anti-Money Laundering Office of transactions that involve suspicions of money laundering or terrorist financing, in accordance with the applicable forms.
8. The Director is responsible for making decisions regarding the closure of cases where no suspicion is found. These decisions must include the reasons for the closure.
9. The Director is tasked with proposing necessary updates and improvements to the bank's policy in the field of anti-money laundering and anti-terrorist financing, and the systems and procedures in place, aiming to enhance their effectiveness and efficiency, while ensuring they align with both local and global developments.
10. The Director will oversee, both in the office and on-site, the compliance of all bank branches with the laws, regulatory controls, and internal systems regarding anti-money laundering and anti-terrorist financing.

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11. The Director is responsible for cooperating and coordinating with the specialized department in the bank to develop training plans for employees in the field of anti-money laundering and anti-terrorist financing, proposing the necessary training programs to implement these plans, and monitoring their execution.
12. Prepare a quarterly periodic report on the activities of anti-money laundering and anti-terrorist financing within the bank, and present it to the Board of Directors for their feedback and to take necessary actions accordingly. This report should be sent to the Banking and Credit Monitoring Department, along with a copy to the Anti-Money Laundering and Anti-Terrorism Financing Office, accompanied by the Board of Directors' comments and decisions as per the forms prepared by the Central Bank of Iraq.

Third – Internal Sharia Audit Manager and Assistant Manager:

A – Conditions and Specifications:

1. The Internal Sharia Audit Manager and Assistant Manager must be at least 30 years old, have the legal eligibility, and be of sound character and fitness.
2. The Internal Sharia Audit Manager and Assistant Manager must hold at least a bachelor's degree in relevant fields such as Accounting, Banking Management, Financial and Banking Sciences, or any other related disciplines.
3. The Internal Sharia Audit Manager and Assistant Manager must be qualified members of a recognized professional association with professional experience in accordance with paragraph (2) of Article (18) of the effective Banking Law.
4. The Internal Sharia Audit Manager must have at least 7 years of banking experience in auditing, along with 50 hours of training. The Assistant Manager must have at least 4 years of banking auditing experience, with 75 hours of training.
5. Both must be residents of Iraq and fully dedicated to this position, and must not be employed in any other bank, company, or financial institution.

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6. Neither should have been convicted of a crime or misdemeanor that tarnishes their honor, nor should there be any decision by an authorized entity preventing them from holding any leadership position in a bank or company.
7. Neither should have been a core employee in a bank or company that has been declared bankrupt.
8. The Head of the Internal Sharia Audit Department must hold a (CSAA) certificate (Sharia Auditor or Sharia Auditor Certificate), granted by the Accounting and Auditing Organization for Islamic Financial Institutions.

B – Duties and Responsibilities:

1. The department is responsible for studying the policies prepared and approved by the Board of Directors, setting up mechanisms, procedures, and plans, and executing them as per the policy guidelines.
2. Develop an annual audit plan to ensure effective control over all departments and branches, monitor their activities, verify their compliance with applicable banking laws, regulations, and instructions, and ensure the resolution and rectification of identified violations and errors.
3. Examining and auditing all banking and administrative activities and verifying:
 - A. The implementation of the principle of separation of responsibilities (separating the cash possession function from the recording function in documents and records, and from the function of authorizing disbursements).
 - B. Verifying and reviewing the bank's internal control system and its ability to clearly define authorities and responsibilities for financial functions, and to distribute duties and responsibilities to ensure the proper and organized flow of financial transactions without overlap in tasks and authorities.

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C. Verifying the competence and integrity of the financial staff or those entrusted with bank funds.

4. Evaluating the work and performance carried out and ensuring the bank employees' adherence to the policies, plans, and procedures set by the Board of Directors.
5. Suggesting advanced methods and means to update and improve operations, and providing advice to various departments to ensure improved performance and development.
6. Verifying the integrity of the procedures for opening current accounts for customers, and monitoring the acceptance and withdrawal of other banking transactions.
7. Ensuring the accuracy, correctness, and safety of granting banking facilities, loans, guarantees, and other daily executed transactions.
8. Auditing the bank's daily ongoing operations through document auditing, and ensuring the following:

A. The integrity of financial records and documents, verifying the correctness of the authorization procedures for transactions, and ensuring the existence of authority for those authorized to disburse.

B. The accuracy of recording transactions in daily records and posting them to the relevant accounts in the system or general ledger.

C. Verifying the accuracy of the accounting classification and the correct posting to the relevant accounts.

D. Ensuring the availability of necessary approvals and allocations in the budget, and verifying that no overspending has occurred on the allocated credits for specific expenditure items.

9. Auditing the work of the General Administration departments (documentary credits, foreign remittances, loans, advances, guarantees) to verify their compliance with the assigned tasks and duties, and the implementation of directives and instructions issued by the Central Bank of Iraq.

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10. Conducting physical inventory checks of fixed and cash assets, both suddenly and periodically, as well as at the end of the fiscal year, verifying the maintenance of accounting and inventory records required by the accounting system, and ensuring the posting to the relevant records on an ongoing basis.

11. Conducting regular inspections (monthly, quarterly) of the bank branches through the following:

A. Examining and auditing the cash assets in the vault, ensuring daily reconciliation between the actual cash holdings and the cash register and system records.

B. Reviewing the work division plan and defining the roles and responsibilities of the employees within the branch, ensuring the branch's compliance with laws, regulations, and the implementation of banking procedures.

C. Reviewing the banking stamp register, noting the stamps used and unused, verifying their presence, storage method, and retention after business hours.

D. Reviewing how daily documents are stored in the vault, examining the contents of the vault, and how the cash amounts are bundled.

E. Observing the method of operation of the (counter) staff and their interactions with customers.

F. Evaluating the implementation of the audit method prior to disbursement, especially for check disbursement and acceptance transactions, and organizing their entries and documents.

G. Following up on the settlement of internal remittances, bills of exchange, promissory notes, loans, and banking facilities, and ensuring the clearance of their outstanding balances.

H. Reviewing the external auditor's reports, reports from the Central Bank inspectors, and following up on the resolution of the issues raised with the bank departments, branches, and relevant parties.

I. Auditing the monthly and yearly financial statements, balances, and reports of the bank and its branches, and ensuring the application of accounting reconciliations at the branch.

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J. Monitoring the settlement and payment of the amounts held in financial accounts as shown in the trial balance.

K. Monitoring the audit results of reconciliations and exchanges related to accounts between the bank and its branches, other banks, or correspondents, investigating the reasons for discrepancies, and observing the clearance of outstanding balances in these exchanges.

L. Studying and evaluating the performance of the branches through regular reports related to their activities in the fields of current accounts, savings, deposits, banking credit, and their contribution to maximizing revenues and reducing expenses.

M. Verifying the compliance of the bank's departments and branches with the pricing schedule for banking transactions according to proper procedures, identifying any deviations, and following up on resolving them.

N. Investigating customer complaints and objections, attempting to resolve them, monitoring employees' behavior and actions, and correcting deviations.

S. Submitting a monthly report to the Board of Directors that includes everything mentioned above, along with proposing methods and means to develop the work and improve performance.

Fourth: Financial Department Manager and Assistant Manager:

A. Conditions and Specifications:

1. The age of the Financial Department Manager and their Assistant should not be less than (30) years, and they must have legal eligibility, being qualified and fit individuals.
2. The Manager and Assistant must hold an undergraduate degree in Accounting, and have banking or financial company experience in accounting for no less than (10) years for the Manager with (50) hours of training, and (5) years with (75) hours of training for the Assistant.

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3. They must be qualified members of a well-known professional association and have professional experience based on Paragraph (2) of Article (18) of the applicable Banking Law.
4. They must reside in Iraq and be fully dedicated to the position, and they should not be employees in any other bank or financial institution.
5. They should not have been convicted of a felony or misdemeanor that harms their honor, nor should any specialized authority have issued a decision that limits their ability to hold a leadership position in a bank or company.
6. Neither should be a key employee in a bank or company that has declared bankruptcy.

B. Duties and Responsibilities:

The department is responsible for managing the bank's accounting operations in accordance with recognized accounting principles, international standards, the unified accounting system for the banking sector, and applicable regulations. It also organizes the bank's relationship with the external auditor regarding financial statements and balances. The department manager oversees the following sections:

1. Payroll and Expenses Division: Managed by an employee with the title of Accountant, this division is responsible for preparing and organizing the monthly payroll, overtime pay for employees, sending deductions to relevant authorities (such as social security, tax, etc.), and paying the stamp duty on a monthly basis. It also organizes payment documents for travel and mission allowances, as well as other expenses.
2. Budget Division: Managed by an employee with the title of Accountant, assisted by several employees, and responsible for the following tasks:

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- Preparing estimated annual budgets and proposing related instructions.
 - Organizing financial data that reflects the bank's activities during the year, preparing profit and loss statements, income statements, cash flow statements, and other related closing statements.
 - Supervising accounting and banking operations, preparing financial reports, and organizing monthly income and expense statements, as well as reports on cash, deposits, and credit for the Board of Directors.
 - Sending data, budgets, statements, and statistics required by the Central Bank of Iraq for monitoring purposes and responding to inquiries from the bank.
 - Monitoring the transfer of excess cash and foreign currencies between the main branch, other branches, and the Central Bank of Iraq.
 - Monitoring the legal reserve and cash balances that the bank must retain as a cover for its deposits, in accordance with the formulas set by the Central Bank of Iraq.
 - Recording and posting daily journal entries to the relevant ledgers, maintaining fixed asset records, calculating annual depreciation, and organizing related journal entries.
 - Organizing the daily trial balance and auditing the balances shown in it.
 - Training accounting and financial staff in branches to develop their accounting skills.
3. Correspondent Accounts and Internal Branches/Local Banks Division: Managed by an employee with at least the title of Accountant, assisted by several employees, and responsible for the following tasks:

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- Monitoring the reconciliation of the bank's accounts with foreign correspondent banks.
 - Preparing and reconciling accounts with the bank's branches, as well as with Al-Rafidain Bank, Al-Rashid Bank, and private banks.
4. Shareholder Affairs Division: Managed by an employee with at least the title of Accountant, and responsible for the following tasks:
- Monitoring the bank's investments and rights in shareholding companies, and tracking share price movements.
 - Maintaining a special register for shareholders' rights in the bank's capital, preparing, organizing, and updating stock cards, determining their entitlement to annual profits, and distributing these profits after the approval of the annual bank budget and approval by the senior management.
 - Monitoring the bank's share price through the Iraq Stock Exchange publications.
5. Treasury Division: This division is responsible for managing cash receipts and payments to and from the bank's customers, overseeing the operation of the bank's treasury, maintaining cash, and reconciling cash balances at the end of each working day with the system, cash register, and general ledger.

Fifth – International Department Manager and Assistant:

A. Conditions and Specifications:

1. The age of the International Department Manager and their assistant should not be less than (30) years, they must have legal eligibility, and both must be fit and competent individuals.
2. The International Department Manager and their assistant must hold at least a bachelor's degree in fields related to their work (law, public administration, financial

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management, accounting, financial and banking sciences, or any other field related to banking operations).

3. The International Department Manager must have at least (5) years of banking experience in areas such as (letters of credit, letters of guarantee, remittances, investment, credit, and banking facilities) and (50) hours of training. Additionally, they should have a good command of the English language. The Assistant Manager of the International Department must have at least (3) years of banking experience and (75) hours of training.
4. Both the manager and their assistant must be residents of Iraq and fully dedicated to this position. They should not be employees of any other bank, company, or financial institution.
5. Neither should have been convicted of a felony or a dishonorable misdemeanor, and no decision should have been issued against them by a competent authority that would hinder them from holding any leadership position in a bank or company.
6. Neither should be key employees in a bank or company that has previously declared bankruptcy.

B. Duties and Responsibilities:

The department consists of the following divisions:

1. Letter of Credit Division: A letter of credit is a contract in which the bank, upon the request of the importer, commits to opening a credit in favor of the beneficiary (the exporter) and paying the value of the goods (the amount of the credit) in cash upon receiving the documents from the exporter that fully comply with the agreed-upon terms, and according to the international customs and practices for letters of credit as set out in the International Chamber of Commerce (Paris) publication numbered (U.C.P. 600). Types of letters of credit include:
 - Confirmed Letter of Credit: This represents a commitment by the bank that issued the letter of credit, and it cannot be revoked. The bank must pay the

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value of the documents presented by the beneficiary, which meet the terms of the letter of credit, without seeking reimbursement from the beneficiary, even if the issuing bank stops paying the value of these documents.

- Unconfirmed Letter of Credit: The paying bank has the right to seek reimbursement for the amount, even if the documents meet the terms of the credit, if the issuing bank stops paying the value of the documents.

Thus, the Letter of Credit Division is responsible for the following tasks when reviewing a bank client for the purpose of opening a letter of credit:

1. Requesting the customer to submit a contract, list, or preliminary offer organized by the exporter, which specifies:

- The price, quantities, and specifications of the agreed goods.
- The terms of delivery.
- The terms of payment.
- The documents to be submitted for payment.

2. The form for opening the credit is organized by the officer in charge of documentary credits, along with the credit agreement, which is then signed and stamped by the customer.

3. The transaction is referred to the bank's high credit committee to determine the collateral percentage required for the credit amount, based on the available data about the customer's financial ability, efficiency, and the guarantees provided, according to acceptable and recognized credit standards.

4. A list or form is created to record: (the collateral to be secured, the credit opening fee, postal and communication charges, the stamp duty, and the fee for credit confirmation if the credit is confirmed).

5. The customer is required to provide an insurance document for the goods in cases where the delivery condition is either (FOB - Free On Board) or (CIF - Cost, Insurance, and Freight).

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6. The credit opening form is organized, reviewed by the department manager, and the secret number is affixed. The details are then sent to the correspondent bank for execution.
7. The department follows up on the receipt of the credit opening letter from the correspondent bank, informs the supplier's bank, and records the agreed-upon collateral and fees collected in the accounts.
8. Upon receiving the credit opening letters from foreign correspondents, the bank notifies the customer with a copy of the letter and records the amounts collected by the correspondent bank in the bank's accounts.
9. Credit terms and extensions are adjusted based on the agreement between the customer and the supplier through the correspondent bank. In this case, it should be specified which party (the customer or the supplier) will bear the modification fees.
10. A document is prepared for the customer's obligations related to issued credits when the credit amount is increased, and additional collateral is required in the same proportion as the collateral required when the original credit was opened.
11. Upon receiving the shipping documents and invoices from the correspondent bank, the following procedures are carried out:
 - A. The shipping documents are reviewed by the responsible employee to verify that they pertain to the credit and match the required formal specifications. The number and details of the documents are checked according to the conditions within a maximum of three days from receipt. If discrepancies are found, the correspondent is notified.

B – Organizing the following notifications:

1. Settlement receipt.
2. Notification of document receipt.
3. Clearance list for collecting the remaining amount of the document after deducting the amount of insurance collected during the opening + commission + postal and communication fees + shipping document handling commission.

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4. Organizing a reverse entry document for obligations.
5. Organizing a debit notice on the customer's account for the amounts to be collected.
6. After collecting the amounts from the customer's account, the documents are stamped with the bank's seal, and the shipping document is endorsed to the customer's order, along with the insurance document. The complete documents are handed over to the customer after keeping a copy at the bank.

2) Correspondence and External Relations Section: The section ensures international banking relations with foreign correspondent banks approved by the bank, in line with the bank's operational needs. It also ensures the fulfillment of their requirements and responds to their inquiries to maintain these relationships.

3) International Transactions Accounts Section: This section follows up on the posting and auditing of credit and debit entries between the bank and foreign correspondent banks, as well as in customer accounts related to the opening of letters of credit or when executing foreign transfers for the bank.

4) Foreign Transfers Section: A foreign transfer is defined as a payment order issued by a bank called the issuing bank, based on the request of a customer. The customer specifies the recipient bank, and the bank determines the amount to be paid to a third party, known as the beneficiary.

A cash transfer in banking has a legitimate basis and can be categorized as an acceptable paid agency. There are five parties involved: [the transfer applicant, the issuing bank, the receiving bank, the covering bank (if any), and the beneficiary].

To implement this from a practical perspective, the section carries out the tasks and steps outlined in the Central Bank of Iraq's instructions. Given the frequent and rapid changes in these operations, the section generally follows the steps outlined below:

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A – Receiving transfer requests from customers wishing to make transfers, accompanied by the invoice issued by the supplier, which specifies the type, quantity, price, and specifications of the goods to be imported into Iraq. The invoice should also include the name of the supplying company, the valid import license issued by the Iraqi Ministry of Trade, and a clearance certificate from taxes for the customer [and any documents specified by the Central Bank of Iraq for the purpose of the transfer].

B – Verifying that there are sufficient funds in the customer's account with the bank to cover the transfer request amount.

C – Obtaining approval from the bank's high credit committee to proceed with the transfer request.

D – Sending the transaction to the SWIFT department to send a notification to the foreign bank to pay the transfer amount to the beneficiary.

E – Making the necessary accounting entries for the transfer.

5) Currency Sale Window Section: This section is responsible for monitoring the process of ensuring the bank's balance with the Central Bank of Iraq to cover amounts for letters of credit and foreign transfers issued by the bank.

6) Customs Clearance Follow-up Section: This section is responsible for following up on receiving the customs clearance documents from the bank's customers, which confirm the arrival of goods for which the bank had previously transferred amounts to Iraq, through official customs channels, within three months from the date the transfer was issued.

Sixth – Head of the Credit Department and Assistant:

A – Conditions and Specifications:

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1. Both must have legal eligibility and be suitable and competent individuals.
 2. The Head of the Credit Department (Credit Granting) and their assistant must be at least 30 years old.
 3. The Head of the Credit Department and their assistant must have a bachelor's degree in fields related to their work, such as: (Economics, Public Administration, Financial Management, Accounting, Financial and Banking Sciences, or any other field related to banking work).
 4. The Head of the Credit Department must have at least 5 years of banking experience in areas such as (loans, letters of guarantee, investment, credit, banking facilities), in addition to 50 hours of training, and have a good command of the English language. The Assistant Head of the Credit Department must have at least 3 years of banking experience and 75 hours of training.
- 5 – They must be residents in Iraq, fully dedicated to this position, and not employed by another bank, company, or financial institution.
- 6 – They must not have been convicted of a felony or misdemeanor that would tarnish their honor, nor have any decision made by an authorized body that undermines their ability to hold any leadership position in a bank or company.
- 7 – They must not be key employees in a bank or company that has been declared bankrupt.

B – Tasks and Responsibilities:

The department is responsible for executing the investment operations of the bank's allocated funds through different forms of banking facilities, in compliance with Islamic Sharia principles.

The essential elements and criteria the bank uses to grant credit include the following:

1. Trust in the Credit Applicant: The department ensures that trust is established with the applicant through the bank's experience and knowledge of the customer's financial credibility, ethical commitment, behavior, and legal standing.

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2. Study of the Bank's Policy: The department is responsible for studying the policy approved by the bank's board of directors and developing mechanisms, procedures, and plans to implement them in accordance with the approved policy.
3. The Amount of Credit to Be Granted: This is determined based on the bank's available resources, liquidity, and the stability and movement of deposits.
4. Purpose of the Loan: It is essential to ensure that the purpose for which the loan will be used is legally permissible and complies with Islamic Sharia law.
5. Type of Collateral Offered: The department ensures the loan is secured with appropriate collateral to ensure repayment and to minimize the risks the bank might incur.

To achieve these objectives, the Credit Department consists of the following divisions:

Loan Division: This division is responsible for granting loans based on Islamic financial tools (Murabaha, Mudarabah, Musharakah, etc.). The requests are studied by the credit committee and must be approved by the bank's higher credit and investment committee. The process is carried out according to the following steps: Here is the English translation of the requested text:

A – Study and Audit of All Credit Granting Transactions (Loans and Banking Facilities)

Submitted by the Bank's Customers:

All credit applications submitted by the bank's customers are studied and audited through a special form of the bank to ensure the following:

1. **Accuracy of the Financial Report of the Credit Applicant:** The accuracy and integrity of the financial report submitted by the customer must be verified.
2. **Purpose of the Credit Request:** It must be ensured that the purpose of the credit request is legitimate, and that the nature of the borrower's business requires credit to manage its activities.
3. **Customer Inquiry and Information Exchange:** Information should be exchanged through the Central Bank of Iraq to know the size of the facilities and loans granted to the customer by other banks they are dealing with.

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4. **Verification of Financial Capacity:** The customer's ability to repay the credit and its commissions on the due date should be verified by studying their current account movements, banking activity, and cash flow analysis to assess their financial efficiency.
5. **Analysis of Customer Activity:** The customer's past transactions with the bank should be analyzed, ensuring that their name is not listed in default or non-payment lists. The customer should have a good reputation and be known for honesty and integrity in financial dealings.
6. **Sufficiency of Guarantees Provided:** It must be ensured that the guarantees provided are sufficient to cover the credit amount and are valid and secure. These guarantees usually include real estate, valuable assets like gold, stocks, bonds, or cash deposits. Additionally, it is important to avoid mortgaging land with long-term lease contracts, agricultural land, or machinery and equipment at this time.
7. **Legal and Sharia Compliance of Activity:** It must be ensured that the customer's activity is within known economic activities and operates legally, without violating Islamic Sharia law.
8. **Verification of Customer's Operational Premises:** The existence of a legal office or premises for the customer's activities must be verified, with a lease agreement provided.

B – Requesting the Customer to Provide the Following Documents:

1. **Lease Contracts or Ownership Documents:** The customer should provide lease contracts for shops, offices, or warehouses in their name, or a recent ownership document for any properties they own.
- **Company Financial Documents:** If the customer is a company, they must provide the establishment contract, balance sheet, and income statement for the last three years. For newly established companies, only the most recent balance sheet is required. This is for calculating working capital and studying liquidity and profitability ratios.

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3 – Requesting owners of factories and mills to submit a license issued by the Industrial Development Authority, along with notarized machine registration certificates.

4 – Requesting contractors to submit recent letters proving the ownership of machines, equipment, molds, and confirming that they have not been received or pledged, and that they are present at the work sites.

5 – Providing inventory lists of movable assets, detailing the specifications, quantities, or weights of goods, as well as their prices. It is also necessary for bank representatives to inspect and validate these assets, review their purchase lists, and follow up on them every three or six months.

6 – Submitting copies of the most recent property ownership certificates for real estate, buildings, and land owned by the customer.

7 – Requesting professionals to submit the proper licenses for practicing their profession.

C – Obtaining written consent from the property or stock certificate owner to pledge their stock certificates or property deeds against the credit granted to others, under a specific commitment.

D – Conducting on-site inspections of the properties, machines, and equipment intended to be pledged in favor of the bank for the credit grant. This is done by the inspection committee from the Real Estate Registration Department using the original deed to accurately estimate their value and propose the credit amount based on this evaluation.

E – The department must disclose its opinion on granting credit to the customer, specifying the proposed credit amount and the results of the study on the customer's financial and moral ability to repay, as per the evaluation form attached with supporting documentation, and submit it to the Credit Committee and the Senior Credit Committee for review and decision.

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F – Notifying the customer of the decision, whether it is approval or rejection. In the case of initial approval for granting credit, the Credit Department sends a letter to the Real Estate Registration Department to pledge the property in favor of the bank.

G – After the mortgage is placed on the pledged property and the debt instrument is received, the department releases the approved credit amount to the customer and makes the necessary accounting entries for the credit amount or commissions and other related charges.

H – A file is created for each transaction, which contains all the documents and papers related to that credit, and the department keeps a special register for credits and granted facilities, documenting all the details of those credits.

I – Following up on loan repayments at their due date, taking the necessary actions for late payments or defaulters, and issuing warnings in cooperation with the bank's legal department.

2) Letter of Guarantee Department:

1. A letter of guarantee is defined as a contract or written commitment issued by the bank upon the customer's (the applicant's) request to the customer's creditor (the beneficiary). The bank guarantees the customer's obligations for a specific period, and undertakes to pay the guarantee amount to the beneficiary immediately and upon request if the customer defaults on the contract conditions of the project. The letter's validity period may be extended upon the customer's request or renewed if requested by the beneficiary.
2. Letters of guarantee issued by the bank are used for the following purposes:
3. A – Tender Participation: A preliminary guarantee letter issued by the bank upon the customer's request as an alternative to paying the cash deposit for participating in

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tenders for projects. The letter is returned to the bank if the customer is not awarded the tender, and the guarantee value is refunded.

4. B – Good Performance: A letter issued by the bank to the beneficiary to ensure the customer's good performance in executing the contract. The letter is returned to the bank once the project is completed and delivered, and it is no longer needed.
 5. C – Operating Advance: A letter issued by the bank to guarantee the operating advance check issued to the customer by the beneficiary.
 6. Thus, the internal procedures for the Letter of Guarantee Department are executed according to the instructions of the Central Bank of Iraq, and they are as follows:
 7. Receiving the customer's request to issue a letter of guarantee, detailing: (name of the beneficiary, guarantee amount, the collateral provided by the customer to the bank, etc.).
 8. The department completes the credit information related to the customer's reputation, financial solvency, and moral standing.
 9. The department enters all credit information related to the customer and the collateral provided by the customer in a special evaluation form, and records the commission amounts, postage fees, and stamp duty to be collected from the customer. The approval of the Credit Committee and the Senior Credit Committee is obtained based on the file for the investment credit.
- 4 – After obtaining the necessary approvals, the department collects the amounts due for issuing the letter according to the table of banking operations fees and deducts them from the customer's account.
- 5 – A file is created for each transaction, which contains all the documents and papers related to that letter. The department keeps a special register for the issued letters, documenting all

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details such as the entry of tenders, good execution, operating advances, and the end of the need from both parties (i.e., completion of project delivery and cancellation of the tender).

6 – Follow up on expired letters and contact the concerned departments to request their return to the bank.

Seventh – Director of the Investment Department and His Assistant:

1. A – Conditions and Specifications:
2. They must have legal eligibility and be capable and qualified individuals.
3. The age of the Director of the Investment Department and his assistant should not be less than 30 years.
4. The Director of the Investment Department and his assistant must hold a bachelor's degree in a related field, such as: (Economics, Public Administration, Financial Management, Business Administration, Accounting, Financial and Banking Sciences, or any other relevant field to banking work).
5. The Director of the Investment Department must have at least 5 years of banking experience in the field of (loans, letters of guarantee, investment, credit, banking facilities), along with 50 hours of training, in addition to a good command of the English language. The assistant must have at least 3 years of banking experience and 75 hours of training.
6. Both must reside in Iraq and be fully dedicated to this position, without being employees of any other bank, financial institution, or company.
7. Neither should have been convicted of a felony or misdemeanor involving dishonor, nor should a decision have been issued by an authorized body preventing them from holding any leadership positions in a bank or company.

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8. Neither should be essential employees of a bank or company that has previously declared bankruptcy.

B – Duties and Responsibilities:

The department is responsible for studying and analyzing all investment requests submitted to the bank and assessing their feasibility and alignment with the bank's implemented policies. The department also secures the necessary administrative and credit approvals as follows:

1. Receiving investment requests from the branches and the general administration for the commercial sector (companies and institutions).
2. Submitting the request to the Investment Committee for review and initial approval.
3. Studying the investment feasibility, the guarantees provided, and the type of activity to determine credit ceilings and distribute them across different sectors, submitting them to the concerned parties for approval.
4. Studying and analyzing investment requests in detail and drafting a report.
5. Communicating with the relevant authorities (Shariah Supervisory Board, Risk Management Committee, Shariah Audit, and Compliance) to assess the feasibility and Shariah compliance of the credit facility.
6. Preparing the report with attachments, including the management's opinion, the requesting branch, and the guarantees provided by the customer, and submitting it to the Facilitation and Investment Committee for decision-making.

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7. Implementing the decision issued by the Investment Committee or the Senior Committee, drafting the administration's decision, and submitting it to the concerned parties for implementation according to the decision.
8. Following up on the implementation of the investment decision with the requesting parties (administration and branch).
9. Following up on the execution of the investment process with the customer and the project's completion percentage.
10. Monitoring the completion of the investment file with the Risk Management Department.
11. Studying the investment progress reports and preparing reports for the relevant regulatory and executive authorities, updating the credit records in the administration.

Eighth – Human Resources Department:

Duties and Responsibilities:

The department is responsible for overseeing the administrative and service aspects related to the bank. The department consists of the following sections:

1. Personnel Section: This section is responsible for following up on the administrative affairs of the bank's employees, including:

A – Adopting the bank's work systems and service regulations and monitoring their implementation.

B – Announcing vacant positions and organizing interviews for applicants through the recruitment committee after board approval.

C – Completing the procedures for hiring new employees and organizing administrative orders related to appointments.

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D – Following up on procedures related to promotions, confirmations, transfers, secondments, resignations, and employee dispatches.

E – Monitoring the granting of annual, sick, and unpaid leaves, along with all matters related to the personnel system.

F – Organizing requests for referrals to medical clinics or hospitals

Z – Follow up on organizing the powers and duties of all bank employees according to the bank's organizational structure.

H – Organizing the personal files, folders, and records related to employee affairs and keeping all documents in them.

T – Issuing administrative orders, circulars, and instructions that aim to organize work at the bank.

Y – Monitoring employee attendance and verifying their compliance with the implementation of administrative instructions and regulations through daily attendance records.

K – Monitoring the performance evaluation system used in the bank to motivate employees and improve their performance through specific forms.

L – Organizing internal training courses to develop employee performance and providing all necessary materials for these courses.

M – Following up on disciplinary actions against employees who are negligent in their duties.

2 – Warehouse Section: The section is responsible for the following tasks:

A – Providing the bank's requirements for printing materials, stationery, furniture, equipment, tools, and other services, and placing orders for their purchase when they are about to run out.

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B – Ensuring that the bank's assets are stored in designated areas and warehouses, keeping them away from damage.

C – Conducting an inventory of consumable or surplus items that the bank no longer needs and obtaining approval from senior management to sell them.

D – Maintaining a register of the bank's fixed assets and tracking their distribution across departments, sections, and branches.

3 – Services and Maintenance Section: The section is responsible for the following tasks:

A – Monitoring the cleaning operations of the bank's building, hospitality services, and other related services for the bank.

B – Monitoring the maintenance of generators, electrical devices, and equipment used by the bank.

C – Managing the inquiries department and the bank's security elements.

4 – Archive and Correspondence Section: The section is responsible for the following tasks:

A – Receiving incoming mail to the bank, delivering outgoing mail, registering it in the appropriate records, and ensuring it is distributed to the relevant departments and sections through records and email.

B – Retaining copies of incoming and outgoing mail and archiving them for future reference when needed.

Ninth – Information Technology Department:

Conditions for Appointing the IT Manager and His Assistant:

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- A. The age of the IT Manager and his assistant must not be less than 28 years old.
- B. The IT Manager and his assistant must hold a bachelor's degree in relevant fields, such as: Computer Engineering, Computer Science, Information Technology, or other related fields.
- C. The IT Manager must have at least 5 years of experience and 50 hours of training in the field of work, while the assistant must have at least 3 years of experience and 75 hours of training. Both should possess good communication, persuasion, and analytical skills, proficiency in Microsoft Office applications in both English and Arabic, strong command of the English language, and advanced project management skills.

Tasks and Responsibilities:

The department is responsible for securing the electronic systems related to the bank's operations and activities, as well as all the necessary technological systems. The department consists of the following sections:

1. BANKS System Section:

- Installing and maintaining the bank's network and its internal network across branches.
- Installing computers and software in the bank's departments and branches, maintaining and operating them, supervising their proper use, and equipping them with necessary accessories.
- Monitoring and maintaining the bank's operational and accounting systems.
- Preparing and training department staff on the latest technologies and qualifying them to train the bank's personnel.
- Developing the electronic system programs in line with the bank's operational needs.

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2. Banking Systems Section:

- Automating all banking activities, especially accounting and administrative functions, and following up on their development to keep pace with the latest computer technologies.
- Maintaining the internet network and managing the bank's website and email system.
- Coding bank checks in line with modern banking developments and requirements from the Central Bank of Iraq.
- Designing and printing shareholder certificates and employee IDs for the bank.

3. Maintenance Section:

- Responsible for maintaining all computer devices and related accessories, repairing technical aspects of internet networks and communication systems.

Tenth – Banking Awareness and Public Protection Department:

Conditions and Specifications:

1. The age of the department manager and his assistant must not be less than 30 years old, and both must have legal capacity, be suitable, and eligible for the position.
2. The department manager and his assistant must hold a bachelor's degree in relevant fields, such as: Law, Media, Financial and Banking Sciences, Financial Management, Business Administration, Political Science, or other related fields.

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3. The department manager must have at least 3 years of banking experience, and the assistant must have at least 2 years of banking experience.
4. Both must be residents of Iraq, dedicated to the position, and not employed by any other bank, company, or financial institution.
5. Neither must have been convicted of a felony or misdemeanor that dishonors them, nor have they been subjected to a decision by a specialized authority that restricts their ability to hold a leadership position in any bank or company.

Tasks and Responsibilities:

The department is responsible for spreading banking awareness among customers and employees, protecting the public, and educating them in a way that ensures the financial stability of the bank. It also implements instructions from the Central Bank of Iraq by preparing a unified customer complaint form, which specifies the complaint presentation mechanism, the required documents and information, and other matters related to the elements of the submitted complaint.

The department is responsible for addressing customer complaints from those who deal with the bank or have active accounts, in accordance with the contracts made with them, and specifies the means of receiving complaints, which may include email, personal mail, or mobile phone.

The department also works on introducing the bank to the public, explaining the nature of the products or services it offers in simple language to attract public interest. It provides clear explanations of the bank's policies or any modifications to them, and organizes brochures to raise public awareness. The department also arranges visits for the public to learn more about the bank's activities and products. Additionally, it takes part in banking awareness efforts, calls

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for press conferences, and oversees their organization to discuss important issues related to the public. It also supervises the preparation of newsletters, pamphlets, and films aimed at educating the public about the bank's activities to serve production, employees, and the public.

Furthermore, the department participates in local and international conferences, exhibitions, and workshops. It also creates a conducive environment for meetings between the bank's senior management and representatives from government institutions, local councils, and other sectors targeted by the bank's activities.

The department is also responsible for preparing signature lists for authorized signatories, circulating them to relevant parties, and overseeing the printing of calendars, agendas, and other promotional materials that introduce the bank and its operations to the public.

Eleventh - Payment Department:

The department is responsible for securing the implementation of automated settlements related to the bank's operations with relevant parties. The following sections are linked to this department:

1. Foreign Remittance System (SWIFT): This section is responsible for sending notifications of foreign remittances issued by the bank on behalf of beneficiaries outside Iraq, related to the letters of credit and remittances sections. It also receives notifications of entries from foreign banks to our bank and payment orders (remittances) for beneficiaries inside Iraq.
2. Real-Time Gross Settlement (RTGS) System: This section handles the implementation of payment orders and remittances issued by the bank on behalf of clients inside Iraq, as well as receiving payment orders and remittances for our bank's clients. This is done through the Central Bank of Iraq / Payment Department.

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- 3. Automated Clearing House (ACH) System:** This section is responsible for exchanging magnetic clearing checks between the bank and other banks related to the accounts of our bank's clients, according to the instructions of the Central Bank of Iraq.

Twelfth – Legal Affairs Department:

Managed by an employee holding a law degree, assisted by a number of staff, the department performs the following tasks:

- 1. Lawsuit Filing:** The department is responsible for filing lawsuits against individuals, reviewing legal documents for filed lawsuits, opening case files, and maintaining a special register with all relevant details (e.g., the name and address of the defendant, case number and type, date of filing, amount, judicial body, and any other necessary data).
- 2. Studying Lawsuits and Preparing Defenses:** The department studies the filed lawsuits, prepares defenses, follows up on court decisions, and takes actions for appeal or cassation, providing legal opinions on them.
- 3. Providing Legal Advice:** The department offers legal advice and guidance to the bank's management and branches.
- 4. Debt Collection Follow-Up:** The department follows up on collecting the bank's debts from individuals who have defaulted on payments and negotiates amicable settlements, while opening a file for each case to track progress.
- 5. Contract Preparation:** The department drafts and organizes contracts for the bank with other entities, ensuring the avoidance of legal deficiencies.

Thirteenth – Risk Management Department:

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Criteria for Appointing the Head of the Risk Management Department and His Deputy:

1. The head of the department and his deputy must be at least 28 years old.
2. Both must hold a bachelor's degree in fields related to their work, such as: Economics, Law, Public Administration, Financial Management, Business Administration, Accounting, Financial and Banking Sciences, or other relevant fields related to banking work.
3. The head of the department must have at least 3 years of experience in financial, banking, or regulatory fields, along with 50 hours of training, while the deputy head must have at least 1 year of banking experience and 75 hours of training.

Responsibilities and Duties:

1. The department is managed by an employee with a university degree in banking-related disciplines and must have a broad understanding of general banking operations and activities.
2. The department studies the policy approved by the board of directors, devises mechanisms, procedures, and plans, and implements them in accordance with the policy.
3. The department is responsible for reviewing all banking activities, identifying current sources of risk, forecasting future risks, evaluating their potential impacts, and monitoring significant changes, particularly in areas such as credit risk, market risk, and liquidity risk.
4. The department works according to a plan and program that includes operational rules to transition oversight into a preventive risk management approach, identifying sources of risk and defining how to deal with them.

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5. The department submits monthly reports to the Board of Directors through the Risk Management Committee.

Fourteenth – Branch Manager and Deputy:

A – Conditions and Qualifications:

1. Both must be legally eligible and deemed fit for the role.
2. The branch manager and deputy must be at least 30 years old.
3. Both the branch manager and deputy must hold a bachelor's degree in fields relevant to their work, such as: Economics, Law, Public Administration, Financial Management, Business Administration, Accounting, Financial and Banking Sciences, or other related fields. If they have more than 15 years of banking experience, the branch manager and deputy may also be accepted if they have completed secondary school.
4. The branch manager must have at least 8 years of banking, financial, or legal experience, and the deputy branch manager must have at least 5 years of banking experience.
5. Both must be residents of Iraq and fully dedicated to this position. They cannot be employed at another bank, financial institution, or company.
6. Neither may have been convicted of a crime or misdemeanor involving dishonor, and no decision should have been made by any specialized authority that undermines their ability to hold any leadership role in a bank or company.
7. Neither may be key employees of a bank or company that has previously declared bankruptcy.

B – Branch Managers' Powers:

First – Administrative Powers:

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1. Signing all correspondence related to the branch as per the relevant responsibilities.
2. Issuing internal circulars to organize the branch's operations.
3. Making staff transfers within the branch as necessary for work requirements.
4. Signing Time-Off Request Forms for Branch Employees.
5. Signing accounting entries, documents, and notifications related to the branch, or authorizing branch employees to do so.
6. Signing forms for referring branch employees to specialized medical centers.
7. Approving the grant of regular leave with full pay for branch employees for up to ten days.
8. The authority to consider an employee's absence without a valid excuse as unauthorized absence without pay and to notify the general management accordingly.
9. Issuing a warning penalty for branch employees who are negligent in performing their duties, or for repeated tardiness or absenteeism without a valid excuse, and notifying the general management accordingly.

Second – Financial Powers:

1. Disbursement for Branch Building Renovation:
The branch manager has the authority to approve disbursements for branch building renovation up to an amount of () dinars per occasion.
2. Disbursement for Furniture, Equipment, and Machinery Repair:
The branch manager has the authority to approve disbursements for the repair of furniture, equipment, and machinery up to an amount of () dinars per occasion.

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3. Disbursement for Covering Various Services, Labor Costs, Transportation, and Other Routine Matters:

The branch manager has the authority to approve disbursements for covering various services, including labor costs, transportation of individuals and materials, and other routine work requirements, up to an amount of () dinars per occasion.

4. Disbursement for Utility Bills (Electricity, Water, and Telephone) and Notifying the General Management:

The branch manager has the authority to approve disbursements for utility bills (electricity, water, and telephone) and inform the general management accordingly.

Third – Credit Powers:

1. Issuing Letters of Guarantee:

The branch manager has the authority to issue letters of guarantee on behalf of the branch's customers and collect the required guarantees and commissions, according to the authorized powers, with prior approval from the general management.

2. Disbursing Funds for Credit Transactions:

The branch manager has the authority to disburse funds for credit transactions within the authorized limits.

3. Following Up on Debt Collection:

The branch manager is responsible for following up on the collection of debts from customers who are delayed or overdue in paying their obligations to the bank.

5. (Note: Administrative powers do not include those of the Main Branch Manager, specifically items (7), (8), and (9), as well as all the financial and credit powers listed above.)

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C – Divisions Linked to the Branch Management:

1. Accounting Division:

This division is responsible for preparing and organizing all accounting entries, posting them to the system and the general ledger, reconciling the balances of these accounts according to the currencies involved, and preparing a daily trial balance for the branch.

2. Current Accounts Division:

This division is responsible for opening current accounts and savings accounts for the branch's customers according to the specific instructions for opening these accounts, maintaining customer files, and meeting customer needs in withdrawal and deposit operations. It also handles posting the transactions to the system.

3. Credit Division:

This division is responsible for organizing the banking facilities to meet the branch's customers' needs for loans and letters of guarantee, upon approval from the general management. It also follows up on the collection of the bank's debts and rights from customers who are late or delayed in their payments.

Conditions for Appointing the Branch Management Director and Deputy:

A: The age of the Branch Management Director and Deputy must not be less than 30 years.

B: The Branch Management Director and Deputy must hold an undergraduate degree in related fields such as: (Economics, Law, Public Administration, Financial Management, Business Administration, Accounting, Financial and Banking Sciences, or other fields related to banking work).

C: The Branch Management Director must have at least 8 years of banking, financial, or legal experience, while the Deputy Branch Management Director must have at least 5 years of banking experience.

Chapter Six

Bank Liquidation

Article (17):

The liquidation of the bank shall be carried out in accordance with the applicable legal provisions related to the liquidation of private joint-stock companies, in a manner that does not conflict with the provisions of Islamic Sharia law, and under the supervision of the Sharia Supervisory Board. Depositors, creditors, and shareholders shall be treated during the liquidation process as follows:

1. First, the accounts of depositors in current accounts shall be paid.
2. Next, the rights of depositors in savings and investment accounts shall be paid according to the specific terms of the relevant accounts, and the rights of holders of Mudaraba certificates or investment portfolios shall be paid according to the terms of each issuance.
3. Then, the rights of the bank's creditors shall be paid.
4. Finally, the rights of the remaining shareholders shall be liquidated based on the distribution of the remaining funds in proportion to the number of shares owned by each shareholder.

Chapter Seven

General Provisions

Article (18):

Cases not addressed in this regulation shall be governed by the provisions of the Central Bank of Iraq Law No. (56) of 2004, the Banking Law No. (94) of 2004, the Islamic Banking Law No. (43) of 2015, the Companies Law No. (21) of 1997, and the international accounting and Sharia standards, as well as the accounting standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions.

Article (19):

The bank is exempt from taxes and fees arising from contracts related to the buying and selling of real estate, land, and vehicles in Murabaha, Ijarah, and diminishing Musharaka transactions, except for properties owned by the bank as a result of debt settlement or for housing its employees.

Article (20):

The Bank's Accounts:

1. The bank is required to prepare the annual balance sheet and profit and loss accounts in accordance with the law, Islamic, and Sharia standards.
2. The bank's accounts shall be subject to audit by the Sharia Audit Department and two auditors, as well as any other party deemed appropriate by the Board of Directors or the General Assembly of the bank.

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3. The financial year shall begin on the first of January and end on the thirty-first of December of each year.
4. The bank's accounts shall be closed at the end of the financial year. The Board shall submit to the General Assembly the final accounts, the general balance sheet, and the profit and loss account, audited and supported by the auditor's report, within five months of the end of the year, along with a comprehensive report on the bank's activities during that year.
5. The net profit for each financial year shall be determined after deducting taxes, allocations, and necessary reserves from the surplus achieved, in accordance with the nature of the banking activity in this field. The profits shall be distributed to investors and shareholders in accordance with the bank's profit distribution policy, as decided by the Board of Directors and approved by the General Assembly of the bank.