

# How to open an Iraqi Bank Account

---

November 2006

**NIQD DotCom**

---

**Disclaimer**

The information contained in this e-document is subject to change without notice. NIQD DotCom makes no warranty of any kind with regard to this e-document, including, but not limited to, implied warranties of fitness and merchantability for a particular purpose. NIQD DotCom shall not be liable for errors contained herein or for incidental or consequential damages in connection with the furnishing, performance, or use of this e-document.

This e-document is intended for informational purposes only, and is not intended, either directly or implied, to be investment or banking advice or a recommendation for any particular bank. NIQD Dotcom has no affiliation with any bank mentioned in this e-document. You accept all risk in any dealings, and perform your own due diligence.

**Copyright**

Copyright © 2006 NIQD DotCom. All rights reserved.

<http://www.niqd.com>

---

## **Introduction**

In October 2003, the Central Bank of Iraq authorized Iraq's private banks to process international payments, remittances, and letters of credit.

This decision follows other steps taken to modernize Iraq's banking system, such as the launching of foreign exchange auctions by the Central Bank.

Iraq is developing a market-driven banking system, and the importance of Iraq's private banks is expected to grow significantly.

Many of Iraq's private banks are led by highly qualified and experienced bankers who have previously worked at the Central Bank of Iraq or state-owned banks such as Rasheed.

Under Iraqi banking law, private banks may elect to sell a portion or all of their equity to domestic or foreign investors, providing these banks have first received approval from the Central Bank of Iraq.

Currently, the only private bank which is best positioned to provide services to clients abroad is the *Warka Bank for Investment and Finance* (aka *Al-Warka Bank*).

It has been reported that all accounts at the *Al-Warka Bank* are insured by the Housing Bank of Jordan. If this is correct, then this would imply some additional confidence for investors.

---

### **Bank details**

The head office address of the **Warka Investment Bank** is :

**Al-Warka Bank**  
**Head Office**  
**Building 50**  
**Q902, St 14**  
**Al-Wihda district**  
**(P.O.Box 3559 Elwiya)**  
**Baghdad, Iraq**

### **Telephone numbers**

+964 1 7170271  
7174970  
7178444  
7172828

### **Fax Number**

+964 1 7179555

### **E-mail addresses**

There are several email addresses (see later) - one for each service sector.  
The Bank even supplies an email address for the Bank's CEO.

Most banking operations and services are conducted by email for foreign clients .

### **Web Site**

[http://www.warkainvestmentbank.com/contact\\_us.htm](http://www.warkainvestmentbank.com/contact_us.htm)

---

## Procedures

The procedure is to open two accounts – one in US\$ and the other in Iraqi dinars. Typically both accounts will be assigned the same account number.

The account opening is done via email to:

[c.accounts@warkainvestmentbank.com](mailto:c.accounts@warkainvestmentbank.com)

Allow at least two or three days for a response. Once your account has been opened and you have received an account number, you will be given eight weeks in which to initially deposit funds. The minimum deposit is US\$ 50.

There is a choice of personal or Company account.

There is also a choice of Current account or a Deposit Savings account.

Funds are sent to the US\$ account via a corresponding bank in Germany.

The customer needs to authorize transfer between his two internal accounts. The official authorization for all future internal account transfers is made at the time of opening the accounts. Thereafter you just send an email specifying the amount of currency to move between the two accounts. Note that it is currently illegal to export the new Iraqi dinar. The exchange rate between the internal accounts is the official rate set daily (Sunday to Thursday inclusive) by the Central Bank of Iraq.

The Bank will require details of your **identification**, namely:

- copy of your main Passport page (or any official document (eg driving license))
- specimen signature duly attested
- full postal address
- small photograph

A copy of the main page of your Passport is ideal since it also contains signature and photograph. Since you will be sending this as an attachment in your email, you will first need to scan your Passport page, and then make a "jpg" image of it.

---

**Procedures  
(continued)**

The aforementioned **letter of authorization** (to transfer funds between the two accounts) will also have to be sent as a “jpg” email attachment. After you have typed your letter, you will need to print it, sign it, scan it and create a “jpg” image.

An **example letter of authorization** is as follows:

*“I ----- authorize Warka Bank for Investment and Finance to draw from my Dollar account (current or saving) in the above Bank and exchange the Dollar into Iraqi Dinar according to price fixed by the Central Bank of Iraq at that day, and then deposit it in my Iraqi Dinar account at the said bank”*

For the opening of a **Company account**, you will also need to send **copies of Company Registration papers**. Again, these will need to be scanned and “jpg” images created, and sent as email attachments.

---

**In Summary**

The procedure for opening the two accounts is actually quite straight forward, and it is all done by email to:

[c.accounts@warkainvestmentbank.com](mailto:c.accounts@warkainvestmentbank.com)

Your email needs to include the two attachments – jpg image of your identification and jpg image of your letter of authorization for internal transfers between the two accounts. If you are opening a Company account you will also need to attach jpg images of the Company Registration papers.

Your email should indicate the type of accounts ( personal / company / current / savings). It should also give your full postal address.

An **example email** is as follows:

*“Dear Sirs,*

*Would you please open two ‘savings’ accounts for me – one in Iraqi dinars and the other in US dollars.*

*Both these accounts are ‘personal’ accounts. The accounts should be in the name of ‘-----’.*

*I am enclosing a jpg copy of my Passport (this also contains photo and signature).*

*I am also enclosing a jpg letter of authorization for the transfer of funds between the two accounts.*

*My address is*

*-----  
-----.”*

Allow a few days for a response.

---

**Interest Rates**

At present, the following the interest rates apply:

Deposit Savings account in US\$, 3.5 %

Deposit Savings account in Iraqi Dinars, 6 %

The interest is calculated on the lowest account balance for a given month.

There is no interest on Current accounts.

**Bank Charges**

In the email from the Bank, containing your new account numbers, details of Bank charges will be enclosed.

Fee for opening US\$ account is currently US\$ 2.

Fee for opening dinar account is currently 2000 dinars.

**Bank's****Email****Addresses**

The Bank will send you a comprehensive list of their email addresses, one for each service sector. The following are just a few:

[info@warkainvestmentbank.com](mailto:info@warkainvestmentbank.com)

Information about Warka Bank.

[c.accounts@warkainvestmentbank.com](mailto:c.accounts@warkainvestmentbank.com)

Customer account details

[c.services@warkainvestmentbank.com](mailto:c.services@warkainvestmentbank.com)

Customer Services inquiries

[cbr@warkainvestmentbank.com](mailto:cbr@warkainvestmentbank.com)

Corresponding Banking Inquiries

[isx@warkainvestmentbank.com](mailto:isx@warkainvestmentbank.com)

ISX stock purchases and inquiries

---

**Transfer of  
Funds**

Once the account is opened you can then wire transfer your funds to your US\$ account at the Warka Bank, via one of Warka Bank's corresponding banks in Germany.

ie. Warka Bank has a US\$ account with two banks in Germany. So you wire funds to one of these accounts, but with **special instructions that the monies should then be forwarded to your new US\$ account in Iraq**. You then email Warka Bank to advise them that funds have been sent. They may take at least one week to respond.

[cbr@warkainvestmentbank.com](mailto:cbr@warkainvestmentbank.com)

[c.accounts@warkainvestmentbank.com](mailto:c.accounts@warkainvestmentbank.com)

Note that the weekend in Iraq was recently changed from Thursday/Friday to Friday/Saturday.

Currently the two corresponding banks in Germany are:

*either*

Dresdner Bank AG (Swift Code: DRESDEFF)  
Juergen Ponto Platz1  
D- 60301 Frankfurt am Main, Federal Republic of Germany

Account name: Warka Bank for Investment and Finance  
Warka A/C No. in US Dollars../ 08-005-734-00-400

*or*

CommerzBank (Swift Code: COBADEFF)  
60321 Frankfurt am Main, Federal Republic of Germany

Account name: Warka Bank for Investment and Finance  
Warka A/C No. in US Dollars../ 400875402000

As mentioned, your wire should contain **special instructions** such as :-

***"To be paid for .....your name ....., A/C No .....your new US\$ account ....., Warka Bank for Investment and Finance – main branch"***

---

## ISX

The Iraq Stock Exchange (ISX, and formally known as the Baghdad Stock Exchange), has currently been open to all Iraqi citizens since June 2004. Although there is an investment law that says foreigners can buy Iraqi companies, the Iraqi Securities Commission has thus far not issued rules whereby foreigners can invest in the Iraq Stock Exchange. ie although the foreign investment law has been passed it has not yet been implemented or made operative. This is eagerly awaited by some people. In September 2005, the Iraq Stock Exchange joined the International Federation of Stock Exchanges as a permanent member (of the Euro-Asian Stock Exchanges).

Since foreigners are currently not allowed to purchase stocks on the ISX, stock purchase must be done through a proxy. The **Al-Warka Bank** is a **registered ISX broker** and owns a proxy company (the **Warka Proxy Company**). To invest in the ISX via proxy, Al-Warka Bank need a signed authorizing letter which permits their bank to withdraw from your dinar account and to purchase stocks from the ISX depending on the specific list of stocks that will be submitted by you. Stocks will be transferred to your name once/if the law is officially implemented – the issue of having to make a personal appearance to make the transfer is still unclear. The ISX will charge 2% for transferring it to your name.

Alternatively, you can send Warka Bank an authorized **pre-stock order**. This request will be kept on hold until the iSX opens to foreigners. An example such authorization is as follows ( as usual, you will need to print it, sign it, scan it and send as an email attachment) :

*I , ....your name ... , authorize Warka Bank to withdraw funds from my Iraqi dinar account ..... for stock purchase of listed companies on the same day when, and only when, foreign investors are legally permitted to purchase stocks in their own name on the ISX stock exchange, according to the itemised list below. On this day, these stocks shall be in my name.I would like to purchase the following shares when available for trade by foreign investors:*

- 1. Bank of Baghdad (#40002) 100,000 dinars*
- 2. Al-Warka Bank (#40021) 250,000 dinars*
- 3. Iraqi Petrochemicals (#10028) 500,000 dinars*
- 4. Kerbala Industrials (#10032) 150,000 dinars*

*Grand total to be invested = 1,000,000 dinars ( 1 million dinars)*

*Please confirm*

*Yours truly .....*

---

**ISX**

(continued)

Email: [isx@warkainvestmentbank.com](mailto:isx@warkainvestmentbank.com)

**Websites:**

Official Iraq Stock Exchange homepage

[www.isx-iq.net](http://www.isx-iq.net)

Quotes, news and analysis for the Iraq Stock Exchange

[www.isx-data.com](http://www.isx-data.com)

**Economy**

With regards to economy, the oil industry dominates Iraq's economy, traditionally accounting for nearly 95% of the country's revenues. Oil is produced mainly by the Iraq National Oil Company (INOC).

Aside from petroleum production and refining, Iraq has a small, diversified industrial sector, including the production of chemicals, textiles, cement, food products, construction materials, leather goods, and machinery. There are a few industries that have been started in electronics products, fertilizers, and refined sugar. Agricultural production does not meet the country's needs in many aspects. Iraq's chief crops include cotton, wheat, barley, rice, vegetables, and dates (Iraq is one of the world's largest date producers and exporters). Cattle and sheep are also raised.