

COALITION PROVISIONAL AUTHORITY ORDER NUMBER 40

BANK LAW

Pursuant to my authority as Administrator of the Coalition Provisional Authority (CPA) and under the laws and usages of war, and consistent with relevant U.N. Security Council resolutions, including Resolution 1483 (2003),

Having worked closely with the Governing Council to ensure that economic change occurs in a manner acceptable to the people of Iraq,

Acknowledging the Governing Council's desire to bring about significant change to the Iraqi economic system,

Determined to improve the conditions of life, and opportunities for all Iraqis and to fight unemployment with its associated deleterious effect on public security through stable financial markets,

Recognizing the problems arising from Iraq's legal framework regulating banking activities and the way in which it was implemented by the former regime,

Further recognizing the CPA's obligation to provide for the effective administration of Iraq, to ensure the well being of the Iraqi people and to enable the social functions and normal transactions of every day life,

Recalling that U.N. Security Council Resolution 1483 (2003) called upon the CPA to promote economic reconstruction and the conditions for sustainable development,

Acting in a manner consistent with the Report of the Secretary General to the Security Council of July 17, 2003, concerning the need for the development of Iraq and its transition from a non-transparent centrally planned economy to a market economy characterized by sustainable economic growth through the establishment of a dynamic private sector, and the need to enact institutional and legal reforms to give it effect,

Having coordinated with the international financial institutions, as referenced in paragraph 8(e) of the U.N. Security Council Resolution 1483,

I hereby promulgate the following:

**Section 1
Purpose**

This Order establishes a safe, sound, competitive and accessible banking system for the purposes of providing a foundation for economic growth and the development of a stable Iraqi economy.

**Section 2
Banking Law**

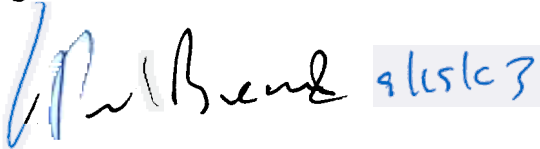
The banking law attached to this Order in Annex A shall have the full force and effect of law.

**Section 3
Inconsistent Legislation**

Any provision of Iraqi law that is inconsistent with this Order or Annex A is hereby suspended to the extent of such inconsistency.

**Section 4
Entry into Force**

This Order shall enter into force on the day immediately following the date of signature.

A handwritten signature in blue ink, which appears to be "L. Paul Bremer", is written over a light blue rectangular stamp. The stamp contains the date "9/15/03" in blue ink.

L. Paul Bremer, Administrator
Coalition Provisional Authority