ETIHAD

PRACTICE OVERVIEW

Banking & Finance

BANKS · LENDERS · INVESTORS · PUBLIC BODIES

Regulation, financing, transactions and disputes



IRAQ · UAE · UK

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Banking & Finance

Etihad advises banks, exchange companies, payment providers, lenders, investors and public bodies on regulation, financing, transactions and disputes in Iraq. We combine regulatory, transaction and disputes experience with day-to-day dealings with the Central Bank of Iraq. Fifteen areas of banking and finance work, from regulation and lending to capital markets, sovereign finance and disputes.

Authorities We Work With

- **Central Bank of Iraq**
  Licensing, supervision, compliance manuals and reporting.
- **AML/CFT Office**
  Anti-money laundering reporting and customer due diligence.
- **Iraq Securities Commission**
  Securities regulation, issues and investment advisory.
- **Iraq Stock Exchange**
  Listings and ongoing issuer obligations.
- **Companies Registrar**
  Incorporations, share transfers, mergers and post-merger filings.
- **General Commission for Taxes**
  Tax filings, clearances and tax on financial transactions.

Regulation And Governance

- **Regulatory & License**
  Central Bank licences, approvals and compliance.
- **Financial Institutions**
  Setting up, buying and restructuring banks and NBFIs.
- **Governance & Compliance**
  AML, sanctions, boards, risk and internal audit.

WHO WE ACT FOR

Banks ◆ Foreign banks and branches ◆ Exchange companies ◆ Payment providers ◆ Lenders and ECAs · Project sponsors ◆ Government bodies ◆ Investors

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Lending And Finance

- **Lending & Commercial Finance**

  Loans, trade finance, guarantees and security.

- **Structured & Corporate Finance**

  Multi-creditor, acquisition and asset-backed finance.

- **Project Finance**

  Power, oil and gas, infrastructure and natural resources.

Markets And Transactions

- **Capital Markets**

  Equity, bonds, sukuk, derivatives and listings.

- **Islamic Finance**

  Sharia-compliant products, sukuk and governance.

- **M&A and Restructuring**

  Bank M&A, recapitalisations and distressed assets.

Public, Digital And Exchange

- **Sovereign & Public Finance**

  Sovereign guarantees, public debt and PPPs.

- **Fintech & Payments**

  E-payments, digital banking and digital assets.

- **Exchange Companies**

  Licensing, mergers, transfers and Central Bank rules.

Disputes, Esg And Training

- **Disputes and Enforcement**

  Litigation, arbitration and recovery.

- **ESG and Sustainable Finance**

  Green finance, disclosure and impact funds.

- **Training**

  Boards, compliance teams and staff.

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Regulatory & Financial Institutions

We advise on licensing and ongoing compliance with the Central Bank of Iraq and other regulators, and on setting up, buying and restructuring financial institutions.

Regulatory Advice

- Licensing and ongoing compliance with Central Bank of Iraq and other regulators
- Licence applications and renewals, avoiding Central Bank penalties
- AML/CFT, KYC and sanctions-screening frameworks
- Compliance manuals, policies and internal-control frameworks
- Training for boards, compliance officers and front-line staff
- Capital adequacy, liquidity ratios and corporate governance requirements
- Internal policies on AML/KYC, insider trading and consumer protection
- Regulatory-gap analyses and compliance audits
- Legal and regulatory reviews of banks operating in Iraq, covering compliance, operational and credit risk and AML
- Regulatory investigations and enforcement actions

Financial Institutions

- Establishing banks and non-bank financial institutions, including branches of foreign banks
- Shareholder agreements and corporate structures
- Share transfers and changes of ownership
- Structural and regulatory reform, compliance programmes and business redesign
- Banking and non-banking licensing options for financial service providers
- Mergers, acquisitions and privatisations
- Approvals for the appointment and resignation of directors and managers
- Ongoing compliance with banking laws, capital requirements and reporting obligations

Day-To-Day Banking

- Loans and credit facilities granted by banks
- Standard banking templates and documents
- Tax credit transactions and commercial paper
- Deposit services under Iraqi law
- Real estate mortgages
- Electronic payment procedures

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Bank Governance & Compliance

We build the governance, compliance and control frameworks that the Central Bank of Iraq and international correspondent banks expect.

AML, Sanctions And Reporting

- AML and KYC policies under Law No. 39 of 2015 and Central Bank rules
- Risk-based customer due diligence, transaction-monitoring triggers and escalation, in line with Central Bank and FATF standards
- UN and US sanctions regimes
- Sanctions-screening procedures and automated watch-list screening with compliance vendors
- The full Central Bank licensing process, including compliance manuals
- Capital-adequacy reporting templates under Basel standards
- Monthly risk-reporting dashboards for senior management
- Board reporting on capital, liquidity, large exposures and conduct

Boards, Risk And Audit

- Board charters and terms of reference for audit, risk, compliance, remuneration committees
- Authority limits and conflict-of-interest rules in line with Central Bank governance requirements
- A unified manual on director duties, ethics, insider trading and whistleblowing, for conventional and Islamic banks
- The Central Bank's corporate governance guide and Basel standards
- Induction and training for non-executive directors, including Sharia governance, and annual board evaluations
- Linking the board risk committee with the compliance function, with clear escalation of new rules and breaches
- An independent internal audit office reporting to the audit committee, with charters, annual plans and quality reviews
- ESG and conduct-risk controls: responsible lending, anti-bribery, data privacy and fair treatment
- Crisis response for cyber breaches and credit stress, including crisis committees and continuity plans
- Lead adviser on a data breach at a corporate bank: regulator notifications, a joint investigation with auditors and updated response plans

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Standards And How We Apply Them

1. **Central Bank of Iraq Rules**
   Licensing, compliance manuals and reporting to the Central Bank.
2. **AML/CFT Law No. 39 of 2015**
   AML and KYC policies and risk-based customer due diligence.
3. **FATF Standards**
   Transaction-monitoring triggers and escalation.
4. **Basel Standards**
   Capital-adequacy reporting templates and board reporting on capital and liquidity.
5. **UN and US Sanctions**
   Sanctions regimes and automated watch-list screening.
6. **Central Bank Governance Guide**
   Board charters, committees, authority limits and director duties.

Selected Matters

- **Compliance Review**
  Reviewed a bank's regulatory framework in Iraq, covering compliance, operational and credit risk, and AML requirements.
- **Reform Programmes**
  Implemented compliance programmes and business redesign for banking and non-banking companies.
- **Incident Response**
  Acted as lead adviser on a data breach at a corporate bank, including regulator notifications and a joint investigation with auditors.

Key Legislation

- **Central Bank of Iraq Law (CPA Order No. 56 of 2004):** Licensing and supervision of banks.
- **Banking Law (CPA Order No. 94 of 2004):** Bank licences, capital, governance and ownership.
- **Law No. 39 of 2015 on Anti-Money Laundering and Counter-Terrorist Financing:** AML/CFT and KYC obligations.
- **Islamic Banks Law No. 43 of 2015:** Licensing and operation of Islamic banks.

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Lending & Commercial Finance

Conventional and Islamic financing, from bilateral loans and trade finance to structured and acquisition finance, for borrowers and lenders.

Loans And Credit Facilities

- Bilateral and syndicated loan agreements
- Receivables-backed and asset-backed financings
- Revolving lines and trade-finance facilities
- Security packages, intercreditor arrangements and collateral enforcement

Commercial Finance

- Asset-based lending
- Security documents: pledges, mortgages and guarantees
- Letters of credit, including for EPC contracts
- Trade finance and receivables financing
- Intercreditor agreements
- Enforcement or restructuring of distressed financings

How A Financing Runs

1. **Term Sheet**
2. **Due Diligence**
3. **Facility And Security Documents**
4. **Conditions Precedent**
5. **Registration And Drawdown**

Selected Matters

- **Lending**

  Advised a bank on granting loans and credit facilities.

- **Mortgages**

  Advised on real estate mortgages.

- **Trade finance**

  Advised on a letter of credit for EPC contracts, including the waiver of an issued guarantee.

- **Templates**

  Drafted standard banking templates and documents under Iraqi law.

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Structured Finance & Restructuring

We combine transactional know-how with local market insight across debt raising, advising on conventional and Islamic structures tailored to each client's objectives and regulatory environment.

Structured Finance And Corporate Lending

- Multi-creditor facilities, including term loans and revolving credit
- Facility agreements, security packages and intercreditor terms for borrowers and lenders
- Securitisation of receivables in sectors such as trade finance, aviation and oil and gas
- Issuing notes and setting up special-purpose vehicles
- Acquisition finance, including bridge facilities and post-closing refinancing
- Security over shares, assets and receivables for leveraged acquisitions
- Long-term financing for greenfield and brownfield power, water, transport and telecoms projects
- Cross-border lender syndicates, export credit agencies and development banks

Restructuring And Regulation

- Pre-default negotiations, forbearance and formal restructuring
- Enforcement of security and creditor rights, including court-supervised processes
- Compliance with the Central Bank of Iraq, the Iraq Securities Commission and banking rules
- Capital adequacy, liquidity and cross-border flows of funds

WHO WE ACT FOR

Corporate borrowers ◆ Banks and bank consortia ◆ Financial institutions ◆ Institutional investors ◆ Lenders

> *Banking, corporate and tax expertise in one team, delivering commercially sound solutions for a single borrower, a consortium of banks or an institutional investor.*

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Project Finance

We advise sponsors, developers, investors, governments, regulators and lenders on financing across energy, infrastructure, telecommunications and natural resources. At every stage we add regulatory, environmental, tax, administrative-law and foreign investment advice, and handle disputes over projects and financings.

Across The Project Life

1. **Greenfield Development**
2. **Brownfield Acquisitions & Due Diligence**
3. **Portfolio Financings & Restructurings**
4. **Joint Ventures, Expansions & Exits**

Transactions

- Project financings for power, oil and gas and infrastructure
- Legal due diligence for lenders and sponsors
- Debt and equity at different corporate tiers and project stages
- Facility agreements, security packages and EPC and O&M contracts
- Financing with multilateral agencies and export credit agencies
- Government support such as loan guarantees and carbon credits

Sectors

- **Energy and Utilities**
  Upstream, midstream, downstream and LNG.
- **Infrastructure**
  Transport, telecommunications networks, social infrastructure and PPPs.
- **Power and Renewables**
  Conventional and renewable power, hydrogen, battery storage and distributed energy.
- **Natural Resources**
  Mining and processing.

WHO WE WORK WITH

Project sponsors ◆ Operators ◆ Infrastructure and private-equity funds ◆ Industrial consortia ◆ Asset managers ◆ Commercial and development banks ◆ Export credit agencies ◆ Multilateral institutions ◆ Sovereign wealth funds

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Capital Markets

From listings and bond issues to derivatives and investment advice, we act for issuers, listed banks and companies, investors, brokers, investment advisers and arrangers. We take issuers through the Iraq Securities Commission and the Iraq Stock Exchange, and advise on the rules that apply once securities are in the market.

Equity, Debt And Derivatives

- Equity and debt issues, IPOs and rights offerings
- Prospectuses, disclosure and regulatory filings
- Ongoing issuer compliance
- Derivatives under ISDA documentation
- Clearing and reporting requirements
- Bonds and sukuk
- Listing on the Iraq Stock Exchange and filings with the Iraq Securities Commission
- Bond and sukuk issues
- Margining and collateral management

Investment And Securities Advice

- Investment advisory and securities regulation
- Ownership disclosure and shareholder rights in listed banks
- Licensing of brokerage firms and investment advisers with the Iraq Securities Commission
- Insider trading and market-conduct rules
- Corporate finance advice for issuers and investors

How A Listing Runs

1. **Readiness & Structure**
2. **Prospectus & Disclosure**
3. **Securities Commission Approval**
4. **Stock Exchange Listing**
5. **Ongoing Compliance**

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Islamic Finance & M&A

We advise Islamic banks and their counterparties on Sharia-compliant products and governance, and act on bank mergers, acquisitions, recapitalisations and restructurings.

Islamic Finance

- Sharia-compliant products and their documentation
- Islamic banking under the Islamic Banks Law
- Sukuk issues and ongoing compliance
- Sharia governance and Sharia boards

M&A, Restructuring And Distressed Assets

- Due diligence, regulatory clearances and documents for bank mergers and acquisitions
- Asset transfers and carve-outs
- Central Bank approval for changes in significant shareholdings and control
- Recapitalisations, debt restructurings and resolution planning
- Mergers of exchange companies and post-merger filings

How A Bank Acquisition Runs

1. **Due Diligence**
2. **Structure & Terms**
3. **Central Bank Approval**
4. **Signing & Closing**
5. **Registrar Filings**

KEY LEGISLATION

- **Islamic Banks Law No. 43 of 2015:** Islamic banking and Sharia governance.
- **Banking Law (CPA Order No. 94 of 2004):** Bank ownership, control and Central Bank approvals.
- **Companies Law No. 21 of 1997:** Mergers, share transfers and capital changes.

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Sovereign Finance & Guarantees

We advise governments, state bodies and their counterparties on public debt, funding, disputes, policy and the projects that serve the public.

Core Services

1. **Public Debt And Restructuring**
   Liability management, sovereign bonds and debt exchanges.

2. **Capital Raising & Funding**
   Credit facilities, guarantees and multilateral support for national projects.

3. **Disputes**
   International arbitration and cross-border litigation for sovereigns and state bodies.

4. **Trade & Regulatory Policy**
   WTO rules, trade remedies, tariffs and investment rules.

5. **Energy, Infrastructure & Project Finance**
   Procurement, PPP structures, financing and handback.

6. **Digital Transformation**
   Frameworks for e-government, fintech adoption and data governance.

7. **Climate, ESG & Energy Transition**
   Carbon pricing, green bonds and sustainability disclosure.

8. **Legal Reform & Privatisation**
   Legislation, regulatory reform and privatisation roadmaps.

9. **Public-Private Partnerships**
   Concessions, availability payments and revenue sharing.

WHY PUBLIC CLIENTS WORK WITH US

Long-standing public-sector relationships ◆ One team across finance, disputes, regulatory, tax and administrative law ◆ Offices in Iraq, the UK and the UAE ◆ Partner-led teams

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Documents We Prepare And Review

1. **Memorandum Of Understanding**
2. **Mandate Letter**
3. **Framework Guarantee**
4. **Individual Loan Agreements**
5. **Completion For Iraqi Investors**

What Each Document Does

- **Memorandum of Understanding**
  Records the parties' agreed framework.
- **Framework Guarantee**
  The overall guarantee terms.
- **Completion for Iraqi Investors**
  The steps after signing.
- **Mandate Letter**
  Sets out the mandate and the main terms.
- **Individual Loan Agreements**
  Terms for each financed contract.

Our Role

- Meetings and negotiations between ECAs, Trade Bank of Iraq and suppliers
- Reviewing agreements between international firms, the Iraqi Government and ECAs
- Iraqi law advice on sovereign guarantee documents
- Completing the process for Iraqi investors after signing
- Letters of credit for EPC contracts, including waiver of issued guarantees

WHO WE WORKED WITH

- **Export Credit Agencies:** SACE · Allianz Trade (Euler Hermes) · Bpifrance
- **International Counsel:** Norton Rose Fulbright · Baker McKenzie
- **Iraqi Counterparties:** Trade Bank of Iraq · Iraqi Government

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Fintech, Payments & Data

We help start-ups and established institutions launch and scale digital financial services, with the regulatory, corporate and technology advice they need. From payment agreements and open banking to data protection, technology contracts and disputes, we cover what digital finance businesses need as they grow.

Regulatory And Licensing

- Licences for payment institutions, e-money issuers, e-wallets, digital banks and crowdfunding platforms
- AML/CFT, cross-border transfers, consumer protection and data-localisation rules
- Engagement with the Central Bank and securities authorities on new models and sandbox approvals
- Compliance with electronic-transactions and data-protection laws
- The regulatory position of crypto-asset businesses in Iraq

Corporate Transactions And Capital Raising

- Venture capital and seed rounds
- Strategic joint ventures
- M&A, carve-outs and technology-asset acquisitions, with SPAs, shareholder and subscription agreements
- Cross-border financings and token offerings, where permitted

Digital Assets And Blockchain

- Issue, trading and custody of digital tokens
- Token governance and smart-contract terms
- Decentralised finance, NFT marketplaces and utility tokens: custody, transfer and compliance risk

- **Regulation No. 3 of 2014 on Electronic Payment Services:** Licensing of electronic payment providers by the Central Bank.
- **Electronic Signature and Electronic Transactions Law No. 78 of 2012:** Electronic contracts, records and signatures.
- **Law No. 39 of 2015 on Anti-Money Laundering and Counter-Terrorist Financing:** AML/CFT obligations for payment businesses.

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Payments And Open Banking

- Gateway, acquirer and processor agreements: liability, data security and settlement
- Open-banking APIs, consent management and customer authentication

Data Privacy, Technology And Ip

- Data-protection frameworks, breach notification and incident response
- Privacy laws in Iraq and the wider region as they apply to digital finance
- Protecting algorithms, trading software and interface designs
- Technology outsourcing, development and licensing agreements

Disputes And Compliance

- Regulatory investigations, enforcement actions and administrative hearings
- Contract and platform-liability disputes, and cross-border enforcement
- Risk assessments, gap analyses and readiness audits
- Board training on fintech governance and technology risk
- Platform terms of use and internal policies

> *We help our clients' innovations comply with today's rules and prepare for tomorrow's opportunities.*

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Exchange Entities & Financial Services

We act for exchange companies across their whole relationship with the Central Bank of Iraq, from licensing to mergers.

Licensing And The Central Bank

- Licensing and renewals that avoid Central Bank penalties
- Changes of category as capital grows or after a merger
- Approvals for resignations and appointments
- US dollar dealings under new Central Bank instructions
- Permitted activities for exchange companies
- Penalties imposed on exchange companies
- Daily follow-up of new Central Bank circulars
- Joining the Central Bank's electronic platform

Transactions

- Mergers of exchange companies, including post-merger filings with the Companies Registrar, tax and social security
- Share transfers and how mergers are carried out
- Agency agreements with international electronic money transfer companies

Finance & Administration

- Appointing auditors and keeping financial records
- Tax calculations and filings
- Supervising financial statements
- Workshops on cheques and how they work

Financial Services Advice

- Banking law, corporate finance, investment advisory and securities regulation
- Structuring complex financial transactions
- Regulatory compliance for financial service providers

How A Merger Runs

1. **Structure & Valuation**
2. **Central Bank Approval**
3. **Merger Documents**
4. **Registrar Filings**
5. **Tax & Social Security**

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Disputes & Training

We represent financial institutions in court and arbitration, from the first negotiation to enforcing the result.

How A Dispute Runs

1. **Settlement Negotiations**
2. **Mediation**
3. **Arbitration**
4. **Courts**
5. **Enforcement**

Dispute Resolution And Enforcement

- Court and arbitration, domestic and international, in commercial, banking and regulatory disputes
- Pleadings and coordination of expert evidence
- Dispute strategy, including mediation and settlement negotiations
- Enforcement of judgments and arbitral awards
- Regulatory investigations and enforcement proceedings
- Loan-default recovery, guarantee enforcement and derivative disputes
- Cross-border asset recovery and insolvency support

Training

- **Boards and Directors**
  Duties, risk oversight and governance
- **Compliance Teams**
  AML, sanctions and reporting
- **Front-line Staff**
  Cheques and payment instruments
- **ESG Awareness**
  For boards and management

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ESG & Sustainable Finance

We structure and oversee microfinance, impact and sustainable-finance funds using debt, equity or hybrid instruments, and help clients build ESG into their strategy, financing and reporting.

How We Help

1 Regulatory Compliance And Reporting

ESG disclosure, climate-risk and non-financial reporting rules. Supply-chain and modern-slavery laws.

2 Governance And Policy

ESG policies, board charters and committee mandates.

3 Transactions And Financing

Sustainability covenants and use-of-proceeds terms in M&A, joint ventures and project finance. Green bonds and sustainability-linked loans. ESG due diligence.

4 Risk And Internal Controls

Gap analyses, impact assessments, supply-chain and labour risk, and audit protocols.

5 Disputes And Investigations

ESG-related litigation, investigations and enforcement.

6 Stakeholder Engagement

Shareholder proposals, proxy advisers and stakeholder communication.

Building ESG In

1. **Gap Analysis**
2. **Policy and Governance**
3. **Financing Terms**
4. **Reporting**
5. **Review**

> *ESG is not a compliance checkbox. We build it into our clients' strategy, transactions and operations.*

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Key Contacts

Our banking and finance team advises banks, lenders, investors and public bodies on regulation, financing, transactions and disputes. Please contact any of us to discuss your matter.



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Advises banks and financial institutions on syndicated loans, letters of credit, collateral and mortgage enforcement, Islamic finance and debt restructuring, and on licensing for digital banks and payment service providers.



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Delivers training for banks and financial institutions on anti-money laundering and counter-terrorist financing, ESG frameworks and green-finance instruments, including sustainable bonds and sustainability-linked loans.



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ETIHAD

Experienced Lawyers.
Unique Approach.

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MANCHESTER · DUBAI

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