

## COALITION PROVISIONAL AUTHORITY ORDER NUMBER 56

### CENTRAL 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 stabilize domestic prices and to foster an economic climate conducive to the establishment of a stable and competitive market economy,

*Recognizing* the problems arising from the former regime's policies regarding governance of the Central Bank of Iraq,

*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, and independent Central Bank for the purposes of achieving and maintaining domestic price stability, fostering and maintaining a

stable and competitive market-based financial system, and promoting sustainable growth, employment, and prosperity in Iraq.

## **Section 2**

### **Central Bank Law**

The Central Bank of Iraq Law attached to this Order in Annex A shall have the full force and effect of law.

## **Section 3**

### **General Provisions**

The term "Appointing Authority" shall mean the Administrator in consultation with the Governing Council, during the period prior to the transfer of full governmental authority to the transitional Iraqi administration and the recognition of the sovereignty of that administration by the CPA.

Those actions to be taken by "upon the recommendation of the Appointing Authority and confirmation by the Legislature" under the Central Bank of Iraq Law in Annex A shall be undertaken upon the recommendation of the Governing Council and confirmation by the Administrator, during the period prior to the transfer of full governmental authority to the transitional Iraqi administration and the recognition of the sovereignty of that administration by the CPA. Likewise, during the that period, those actions requiring nomination by the Appointing Authority and confirmation by the Legislature shall be undertaken by way of nomination by the Governing Council and confirmation by the Administrator.

Those actions to be taken by the Legislature by itself shall be undertaken by the Governing Council with the approval of Administrator during the period prior to the transfer of full governmental authority to the transitional Iraqi administration and the recognition of the sovereignty of that administration by the CPA.

## **Section 4**

### **Nominations**

The Governing Council shall forward nominees for the Governor, the Deputy Governors and the other members of the Board of the Central Bank to the Administrator for his approval within one month of the date of the signing of this Order. Should the Governing Council fail to forward such a list of nominees to the Administrator within this time period, the Administrator shall nominate and appoint

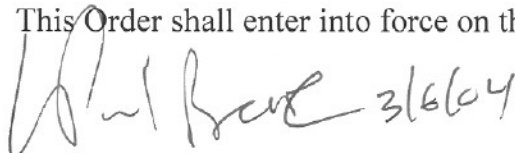
the Governor, the Deputy Governors, and the other members of the Board of the Central Bank.

**Section 5**  
**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 6**  
**Entry into Force**

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

A handwritten signature in dark ink, appearing to read "L. Paul Bremer", followed by the date "3/6/04".

L. Paul Bremer, Administrator  
Coalition Provisional Authority