



MONEY LAUNDERING UNDER THE DIVISIONS AND LEGISLATION OF IRAQI LAW

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ABSTRACT

We discussed the Iraqi Law No. 39 of 2015, where no definition is mentioned for the crime of money laundering, but only to mention the acts of which the perpetrators as well as the crime of money laundering in several stages and methods. Money laundering operations are carried out with the intention of concealing and disguising illegal funds and to make them legitimate. Finally, we address the research on the negative effects of money-laundering, whether economic, such as depletion of national income and unfair distribution. Such as unemployment and its impact on society and decline in the standard of living with the mentioned effects in Iraq.

KEYWORDS :**1. INTRODUCTION**

Money laundering is relatively modern, if many labels like money laundering, money laundering and money cleaning. These labels lead to the same meaning as this label was mentioned in the 1930s and the 1940s. This will be discussed at the beginning of this section. This is a crime. Money laundering is not carried out in a single stage, but in several stages. These stages may take many years and different forms. Multiple and varied must pass in three basic stages (filing, camouflage, merger) and are individually elaborated in this section. The crime of money laundering has risks and these risks are either economic or social we will look at these risks at the end of this topic

2. Concept of money laundering

The money-laundering approach emerged in the economic arena and was used in the legal field in a case in the United States of America in 1982. This case involved the confiscation of properties that were washed in Colombian cocaine. As we have already passed, there are several flavors applicable to money laundering. However, money laundering is the most appropriate term used which was approved by the United Nations and taken in documentaries. Therefore, to the statement of money laundering, the legislation and opinions have been divided into a definition of money laundering into two narrow and wide. Where the narrow definition of illegal money laundering is limited by trade in drugs and psychotropic substances. Therefore, money laundering is defined as "the process by which the operators are based on illegal drug trafficking to conceal the existence or concealment of illicit origin or to use the income in an illegal manner as well as camouflage that income to make it appear and be within a project. Criticize this definition because not only do drugs generate dirty money.

The broad definition of money laundering includes all dirty money resulting from all crimes and illegal acts, not just those resulting from trade in drugs and psychotropic substances. One of the legislations that adopted the broad definition of money laundering is US law "Money Laundering" of 1986, which considered money laundering is "any action aimed at hiding the nature or source of money resulting from criminal activities. For example, money laundering is the process through which money is obtained illegally, for example drug trafficking or activities.

Terrorist, and other serious acts, given the appearance and obtained from a legitimate source it is clear that by comparing these definitions (narrow and long), the narrow definition considered that money laundering was an act intended to conceal the real source of money resulting from the drug trade and attend money laundering with drug-related crimes. Just. But the question that arises is whether money laundering is realistic, limited only to drug crimes? Other crimes such as theft, arms trade and misappropriation of public or private funds can produce a lot of money depends on the laundering and not less serious than the money that has been whitewashed for drug crimes. Therefore, the legal definition of the

money laundering offense should be more comprehensive and not limited to the money resulting from illicit drug trafficking.

By the Financial Action Committee on Money Laundering (FATF) finally these and other definitions, they agree on one thing which is to emphasize that the essence of money laundering is hiding or disguising the nature of this money source. The offense is not merely to transfer money or hide it from the eyes of the law enforcement authorities, and it is aimed at the money derived from the crimes of illicit drug trafficking. As such, respond to other money is derived from different types of other motivated crimes. Money laundering, money laundering is not only linked to illicit drug trafficking but has become a necessary step for any criminal activity that generates profit. The Anti-Money Laundering and Terrorist Financing Law No. 39 of 2015 in Iraq did not include a direct definition of money laundering operations, but was limited to the assignment contained in Article 2 thereof to the enumeration of acts or acts prepared by him. Money laundering operations

3. The stages of money laundering

There are three stages of money laundering operations, namely deposit and camouflage, merger,

We will deal with them successively:**3.1. Filing or Employment:**

And the cornerstone for the return of legitimacy to suspect proceeds which are often very large amounts of money. The large volume of tariffs are going to that filing is the physical disposal of dirty money in institutions. Finance. It thus represents the process of accessing dirty money into a financial institution within the economy of the country where the illegal funds were obtained or the entry into force of that money to a financial institution outside its original home. Mostly thus, it is considered to be the most important stages of money laundering and the most critical for the criminal organizations that have their money in these. The stage is vulnerable to attack by the law enforcement authorities they have more opportunity to detect and track money through documents and data in both banking and non-banking financial institutions

3.2. Camouflage

As long as the financing is successfully entered into the financial system, the stage of camouflage. Speaking at the camouflage stage, the gasser will seek to establish a smooth of multiple complex financial processes are due to their multiplicity, size or complexities often resemble legitimate financial transactions. The purpose of this process. Certainly if a magazine or journal is removed from illegal money. Original source, to camouflage accounts and make effort. This phase may be a major significance for the money they make. To create complex layers and multiply business transactions and transfers which ensures that illicit proceeds are disguised and camouflaged by nature and cut. They are completely connected to the fuselage to avoid traction by executing devices. Law, and this is

the most complex three stages where these are done internationally, it is often done in many countries. It involves the use of many diverse and diverse methods including Money

a. Transfer of funds very quickly from one country to another, especially towards havens. Secure finances, through high wire transfers or using secret banking systems and their branches deployed in many of the countries.

d. Distribution of funds between multiple investments and different funds with resale. Asset purchases and transfers are constantly invested, to avoid tracking their impact from. By the competent authorities

c. collusion with national and foreign banks and the use of payment cards

Electronic and smart cards. Finally, this phase involves the financial sector in general and banks in particular, with heavy use of tax committees and banking devices, or cities that have a lenient banking organization that requires this stage to pass through fictitious companies or financial companies complicit

3.3. merger

- In the final stage of money laundering, GASL wants to make money. Illegal legitimacy is gaining the legitimacy to use money in projects. Legitimate or unlawful. This can be accomplished through making. Funds are merged or re-introduced into the project economy or system. Financial and assimilated with all other assets in the organization. Accordingly, it is difficult to distinguish between illegal money and money. Legitimate and illegal money goes back to the hands of criminals yet it has become a clean money so that it can be disposed of in full. Their freedom, either to be used in the life of luxury or reuse in criminal activities or investment in legitimate activities to achieve more of profits in both cases. It is noted in some jurisprudence the contribution of commercial banks in the money laundering process, it seems. It is difficult if not impossible to prove the knowledge of the bank or collusion with the head. Illegal money, noting that some banks are exploiting their foreign branches in countries. World, in order to integrate that dirty money. It can be noted that if this stage is successfully completed it becomes difficult to detect. From the money laundering operation only through espionage, secret search or assistance. Informal through informants or something very big of luck so you can stand up. What are the stages of money laundering and what is required

4. Money laundering risks

The money laundering process may have many positive effects especially in the case of taking. Money laundering operations in-kind such as setting up companies, investing and providing many. Job opportunities and contribution to the treatment of the problem of unemployment and provide an additional amount of goods. It allows the stability of protected prices, but it can be answered that illegality. The income in which money laundering operations are conducted is a power of purchase that is not the result of. Real economic activity, which leads to negative effects on protected prices, contributes. Inflationary pressures that threaten the future of economic and social development. except if these pros that are realized by the use of money laundered can not be justified either. Equates with the gravity of the negative effects resulting from at least the proper consideration of the allocation. Economic resources. Money laundering can be said to have economic and social risks we will discuss as follows:

4.1. Economic Risk:

The phenomenon of money laundering has become a major concern on the global economic scene. In view of the adverse economic and economic consequences. She was exposed. The Vienna Convention of 1988 in its preamble on the damage that could be inflicted. Economic institutions and commercial and financial institutions as a result of profits and wealth. The causes of illicit trafficking. Of the most important negative economic effects of this phenomenon:

a. The impact of the phenomenon of money laundering on the national income. A country's national income is defined as the total revenue it receives. The owners of the elements of production of the citizens in exchange for the use of these elements in. Production of goods and services both inside and outside the country during a specified period of time. The national product is the total of goods and services. Produced using national production elements over a certain period of time, Usually a ratio. So the money laundering process leads to money escaping out. The country is the loss of production of one of its most important elements, which capital leads. To disrupt the production of goods and services, which is reflected negatively on national income. Decline, resulting in the decline in registered national income. In national accounts, makes governments forced to resort to imposition. New taxes increase the current tax burden which in turn leads to. Increasing the suffering suffered by taxpayers has thus led to. A reduction in the volume of savings, if any, which in turn leads to a decline. Welfare in society

b. The impact of the phenomenon of money laundering on domestic savings. Money laundering is a path of financial and economic corruption, Therefore, its effect on the low savings rate is significantly higher. Many developing countries due to the deposit of funds obtained from. Suspicious transactions in foreign banks without channeling into channels. Investment within the country when the money is washed in physical form. As buying real estate or durable goods, that often leads to an increase

Consumption and raising the price level, which in turn leads to a decrease in the rate. Protected savings, thus missing the real opportunities for investment for development. Often, countries resort to this situation. To compensate the shortfall for the total investment needs, through the flow. Foreign resources until the problem of external indebtedness become a heavy burden on. Full national economy

c. The impact of money laundering on the rate of inflation. Indeed, money laundering leads to a cash flow towards consumption. Especially in groups characterized by a lack of maturity and randomness and does not weigh. For the marginal benefit of money, nor does it compare this benefit with the benefit. Modern banking products are on the market, leading to a rise. The overall level of prices, and hence the associated inflationary shocks

The deterioration of purchasing power of money, either on the international level of money. Laundering and associated money movement through banks. Multiple globally understood and markedly in the expansion of liquidity. Where it leads to inflationary waves in a way that disturbs markets. Goods and Services in Control of Economic Risks. The question arises is. The crime of money laundering economic risks in Iraq?

The answer to this question reflects the saying. There is a range of relics. The negative economic situation created by the phenomenon of money laundering in Iraq and during. The occurrence of crime or money laundering because most money is washed either robbery. Banks, banks, or smuggling machines, machinery, metals and car factories. He was raised outside the country. Or entry of counterfeit goods to Iraqi markets. All of this increases the negative economic effects. Be the one who distinguishes a phenomenon in. Iraq on global phenomena despite the recent phenomenon in Iraq. Attracting the factors of the internal environment and the external environment led to its launch. Super fast. The following negative economic effects:

1. The phenomenon led to the weakening of national income and through the following:

& Drain the capital hard currency (which has been stolen from. Banks and transfer them to invest in outside the country.

& Effects of smuggling of machinery, machinery, equipment and factories to. Outside of Iraq and selling them at low prices, representing a stable and important capital.

- contributing to the disruption of industrial projects, which lost the country's energy productivity that is originally low.
 - Weak productive sectors due to weak savings and investments
2. The flight of capital abroad led to imbalance between saving and consumption and this makes the state committed to the external transfer of which increases the indebtedness
 3. Monetary instability of the exchange rate and fear of future volatility which means that individuals buy foreign currency and save it inside or outside Iraq
 4. Poor distribution and concentration in the hands of a low class group has a negative effect on social justice
 5. The introduction of counterfeit goods into the Iraqi market resulted in the killing of national industry

4.2. social risks:

The family is the core nucleus of building societies and in turn is made up of individuals and theory. In general, it is a theory of a social nature

The members of the community, whether this person is natural or legal, as well as for victim and the commission of the crime, it will have implications and certain consequences reflected in the result on the community as a whole. So money laundering affects society in terms of its connection. Social crimes are, for example, a form of security for those who have access to non-entry, legitimate, resulting from drug trafficking, money smuggling, tax evasion and bribery, embezzlement, seizure and counterfeit currency as well as income resulting from administrative corruption, political and slave trade. So money laundering can lead to social unrest. Serious ones

a. Unemployment

The escape of money from inside the country to the outside through banking channels and others to transfer a large part of the national income to other countries, and then the countries from which the capital has fled are unable to spend on investments necessary to provide jobs for citizens and then face the risk of unemployment. Under the annual increase in the numbers of graduates of schools and universities as well as researchers about the work of the uneducated. In addition to that comes a look of the poor to the rich did not work and have wealth, where it undermines social traditions such as values of work, production and investment and belonging to the homeland, as well as lead to the creation of harmful desires. Economic construction, such as the desire to get rich quickly, even if it is in other ways. Legitimate, we note that the affluence that is achieved for some owners is non-entry and their success in smuggling and laundering money. But reflected on their actions. The level of their incomes and their social status, leading to malfunction. Fundamental in social values and raise the value of money regardless of its legitimacy. In determining the social status of man and hence ignorance, poverty and disease. It is a high percentage of societies where control is not achieved. The source of graft with law enforcement failure to track crime and the elimination of money laundering

Hence it is not possible to accept some of the views that see the return of money after washing operations to the original citizen in a legitimate manner. The problem of unemployment treatment and its low rates contributes. So the pattern of spending for illegal funds can not be equal to the pattern of legitimate money. The first tendon is often a "demonic" pattern. Speculative in all its forms in order to achieve quick profit against investments. Producing products that contribute effectively to creating new jobs for citizens and alleviate unemployment. It is even in the case of the direction of the first inclination to invest in it quickly stops when achieving its desired goal. In hide or disguise the illegal source of funds

b. Low level of living

Money laundering activities affect the distribution of income to individuals in society. Bad, and increasing the burden of the poor and widening the gap between the rich, and so there are negative social effects of income distribution and hence an inverse relationship between money laundering, the disruption of the social structure

and the problem of poverty, and the low level living for the vast majority of citizens in society. In order to avoid poor distribution of income, some countries pay compensation and subsidies for this low class in the society to promote it, although this measure does not achieve the purpose of this is where the non-beneficiaries actually get this compensation, despite all this, the per capita share of these subsidies decreases because in the truth that gets these subsidies is not the low class but the class. The highest in the community is a good example of where Spain gets in 7% 30% of applicants for these subsidies are at the same time. They are involved in the activities of the hidden economy

c. Exploitation of cheap labor:

The Swiss MP "Jean Zghmour" in his book, "Switzerland under suspicion" to how to use dirty money, by international companies, he also added, how these companies, under the guise of establishing new projects, in the countries of the world

Third, by exploiting low-wage hands to manufacture equipment, tools and goods, in order to sell it afterwards, at competitive prices for rich and medium-sized apprentices, thereby realizing it. Profitable profits, in addition to money washed in order to conceal and disguise. Source. Finally, we will discuss here the social risks that can be left to face. Money laundering in Iraq. The phenomenon of money laundering in Iraq led to the emergence of a range of negative risks

At the level of the consumer and Iraqi society, including:

1. Destruction of the social relations system and the destruction of the moral fabric.
2. The emergence of cases of kidnappings and assassinations even after payment of funds.
3. The social structural imbalance and the exacerbation of the problem of poverty and low level living for the vast majority of the Iraqi people.
4. Contributed to the spread of corruption, social crimes, administrative corruption, bribery and others. So.
5. Contributed to reducing the level of living of citizens through the provision of goods and fraudulent services sold at prices close to entry levels but not short-term together become a burden on the consumer himself.
6. Community disruption through the drug trade, which was Iraq a year ago. 2003 is a drug-free country and there is no indication of the opposite is true: the increase in crime rates in Iraq, its diversity and its complexity (politics) Economic, terrorist, etc.)

5. CONCLUSION

We have presented the concept of money laundering crime in the light of the divisions of legislation and views as well as we discussed the Iraqi Law No. 39 of 2015, where no definition is mentioned for the crime of money laundering, but only to mention the acts of which the perpetrators as well as the crime of money laundering in several stages and methods. Money laundering operations are carried out. With the intention of concealing and disguising illegal funds and to make them legitimate. Finally, we address the research on the negative effects of money-laundering, whether economic, such as depletion of national income and unfair distribution. Such as unemployment and its impact on society and decline. The standard of living with the mentioned effects in Iraq. We found that the crime of money laundering is not limited to the perpetrators of the crime but goes beyond all society, so this situation must be reduced, especially in Iraq where the crime of money laundering to the highest levels due to poor conditions. Political, economic and social processes are markedly functioning by law enforcement authorities. Note the perpetrators of money laundering operations and the reason for this is often their association. Government authorities in the country

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