

## **COALITION PROVISIONAL AUTHORITY ORDER NUMBER 18**

### **MEASURES TO ENSURE THE INDEPENDENCE OF THE CENTRAL BANK OF IRAQ**

*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),

*Noting* the Central Bank of Iraq Law sets forth requirements for the involvement of the Ministry of Finance in setting monetary and credit policy,

*Noting* that the Central Bank of Iraq Law authorizes loans to government Ministries which undermines the ability of the Central Bank of Iraq (CBI) to control monetary growth,

*Understanding* that CBI's credit and monetary policy must be free from political or other governmental interference,

*Determined* to prevent the impoverishment of the Iraqi people and the breakdown of order by taking measures for the prevention of extreme inflation,

I hereby promulgate the following:

#### **Section 1 Loans to Government Ministries**

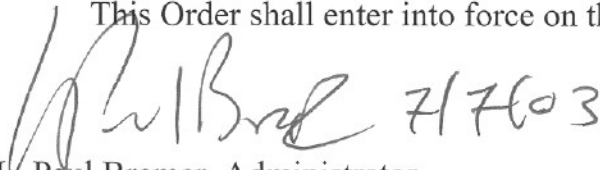
Articles 21 and 22 of the Central Bank of Iraq Law No. 64 of 1976 are hereby suspended to the extent that they authorize the CBI to loan funds to Iraqi Government Ministries.

#### **Section 2 Central Bank Control of Monetary and Credit Policy**

The CBI shall have the authority to determine and implement monetary and credit policy without the approval of the Ministry of Finance. The provisions of Article 14 of the Central Bank Law are suspended to the extent that they require Ministry of Finance approval of monetary and credit policy. Only members of the CBI Board who are CBI employees serving with the approval of the Administrator may decide matters determining or implementing monetary and credit policy.

**Section 3**  
**Entry into Force**

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

Handwritten signature of L. Paul Bremer and the date 7/7/03.

L. Paul Bremer, Administrator  
Coalition Provisional Authority