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MANAGING OIL REVENUES WITHIN THE FRAMEWORK OF THE IRAQI FINANCIAL MANAGEMENT LAW NO. (6) OF THE AMENDED 2019

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ABSTRACT

The efficient and effective management of the oil sector and the revenues derived from it, necessarily leads to the maximization of Iraq's wealth by relying on effective rules in this administration, which are included in a law issued by a free national will aimed at achieving economic stability and the welfare of the citizen, and giving priority to this goal over the personal and factional interests of those in charge. At the head of the authority, we have pondered well the issuance of the new Financial Management Law No. (6) of 2019 amended with regard to the management of state finances in general, as it represents, in our opinion, the constitution of public finance in Iraq, as well as the importance of this law with regard to the management of revenues from oil and gas. However, despite the positives it contains in this regard, it is like other human actions that are expected to be tainted by flaws and errors, and it has been marred by some shortcomings and pitfalls that we have shown in this research and we have put for them the solutions that we see that address those insufficiencies and errors.

Keywords: *oil revenues, oil and gas, concession contracts, licensing rounds, sovereign funds, accounting standards*

INTRODUCTION

The oil wealth contributes greatly to the achievement of economic and human development, so managing the returns from this wealth is one of the very important issues that were and still preoccupy governments and public opinion in countries with oil production in general and countries with oil rents as a matter of privatization. This importance prompted those countries to rely on financial and economic rules in managing the activities related to oil resources in certain tracks that clearly express the financial and economic philosophy adopted regarding directing the country's resources, especially oil resources, to obtain important and effective results. The importance of oil is evident in that it represents one of the most important

sources of financial returns for the countries exporting it, as it contributes to financing the annual budgets of these countries in significant proportions, in addition to that it occupies a large part of their domestic product. The classification of oil-exporting countries under rentier economies did not come from a vacuum, but rather from the extent of the financial and financing dependency of these economies to the oil sector, so that the returns of this sector have become relied upon in directing the development path of the oil-producing countries and determine the financial capabilities of financing development, which is reflected on some macro indicators for these economies. What is wrong with this approach is that oil is characterized as a non-renewable resource; In addition, the possibility of

exporting it continuously depends on global demand, and it is also subject, in its financial effectiveness, to the difference between its production costs and price levels that are subject to fluctuations in the global oil markets. Markets, as a result of economic and non-economic factors, are also affected by climate and environmental changes, epidemics, geopolitical factors and military conflicts.

Similar to the oil-exporting countries, the Iraqi economy depends almost entirely on oil revenues, which are the backbone of the Iraqi economy, as they constitute about 97% of Iraq's total exports. It has financial, political, social and economic effects. These effects are the result of the wrong way of managing the oil wealth, so the way of managing it should be given special importance, at least in the coming decades, and the development of modern legal mechanisms to manage these revenues.

The Importance of Research:

The importance of the current study is manifested in the necessity of realizing that managing oil revenues wisely and effectively, means ensuring that current and future generations benefit (from oil wealth) by converting them into sustainable financial wealth. As the future of the country's social, political and economic system and determining its role

at the regional and international levels depends mainly on how the oil sector is managed, especially the returns from this sector, which provides great development potential that contributes to the development of the national economy if it is managed correctly without waste or waste. Wasting the revenues derived from it, and taking into account the achievement of the highest degree of effectiveness and efficiency in this administration, not only at the near level, but also at the long-term level, especially since oil prices fluctuate and revenues are fluctuating. Therefore, we will try, through this research, to identify the importance of managing oil revenues and the obstacles it faces, and the requirements for its efficiency and effectiveness, and to know the position of the Iraqi legislator within the framework of the amended Financial Management Law No. (6) of 20019 and the relevant laws regarding the management of these revenues and the extent of its efficacy its management.

The Research Problem:

The problem of the research is that despite the increase in oil revenues in Iraq, it is witnessing a serious decline in the growth rates of the non-oil productive sectors, as a result of the lack of a sound economic and political environment caused by the lack of diversification of the

Iraqi economy and its dependence on the depleted oil resource with its characteristics. From the volatility and uncertainty in its prices, as well as the persistent financial deficits in the state's general budget, which has become a feature that overwhelms it despite the financial abundance that has been achieved in oil revenues. It certainly reflects the mismanagement of the oil revenues file from all its legislative, executive and supervisory aspects, and even the negative impact of the political factor and its interventions in the economic aspects of the state. This requires sound management of these returns that contribute to protecting the economy from the risks of external shocks, especially oil shocks, and harnessing those returns to achieve sustainable development. Therefore, the research raises several questions, the most important of which are: Are the legal rules in force capable of facing these economic crises that the Iraqi economy has been exposed to as a result of its dependence on oil rents to finance its public budget and the mismanagement of this rent, or does achieving effectiveness and efficiency in managing oil revenues need to reconsider the provisions of the financial management law in force. And what are the necessary legislative, executive and supervisory measures for that administration to ensure sustainable growth of the Iraqi economy

inside and outside the borders of oil resources. What helps our economy in its current situation is the increase in oil production, or how to dispose of the proceeds from its production? What are the most important options available to contribute to the development of the oil sector?

Research Hypothesis:

Adopting an oil policy based on increasing oil production without achieving the efficient and effective management of the oil sector and the returns derived from it, and the ability to invest them according to a pre-prepared strategy, necessarily leads to the waste of state resources and the failure to achieve the desired economic development. Rather, a sound oil policy must be based to manage oil revenues in a way that ensures that this wealth is not squandered in activities that do not have self-sustaining elements that end as soon as oil resources are cut off, but rather by investing them and transforming them into other productive forms. This administration is based on firm and effective foundations and rules upon which its structure is based, embraced by a legal framework imposed by a free national will whose goal is to achieve economic stability and the welfare of the citizen, and to give precedence to this lofty goal over the personal and

factional interests of those responsible for drawing up and implementing the general policy of the state, especially the economic policy embodied in the laws regulating state finance, as well as the need to raise the level of accountability and transparency in the conduct of the work of institutions charged with managing state finances in general, managing oil revenues in particular, and ensuring that they are not politicized, and working on their continued subjection to supervision and control.

RESEARCH METHODOLOGY

We will discuss the management of oil revenues according to the descriptive and analytical approach to the texts of the Iraqi Federal Financial Management Law No. (6) of 2019 as amended, which dealt with this administration in organization.

RESEARCH DESIGN

We will discuss this topic in two sections: the first, we will discuss the definition of oil revenues, and we divided it into two demands. The effective Iraqi Federal, which includes two topics: the first we devoted to discussing the mechanisms of managing oil revenues in the effective Iraqi financial management law, while in the second requirement we dealt with the evaluation of the efficiency and effectiveness of oil revenues

management in the effective Iraqi financial management law.

Defining Oil Revenues

Oil revenues are an important resource for many countries of the world, and these revenues are the main resource for many countries, as the dependence on other resources is less due to mismanagement of this file or the lack of suitable ground for the success of other resource management. The global and national financial crises do not occur as a result of an increase in public expenditures only, but also because of the scarcity of public revenues. In fact, the lack of revenues is more dangerous to the economy than the increase in public expenditures. Reliance on oil mainly and the drop in its prices significantly led to the consolidation of the crisis and increased its seriousness¹. Therefore, and in order to introduce oil revenues, we will address in this section the concept of oil revenues and the historical development of their management, in the following two demands:

The Concept of Oil Revenues

Before we discuss the definition of oil revenues, we must know what the oil

¹ Dr.. Ahmed Faris Abdul-Azzawi: Legal means to address the financial crisis in Iraq according to the general budget for the year 2015, research published in the Journal of the College of Law for Legal and Political Sciences, University of Kirkuk, Volume 4, No. 13, 2015, p. 277.

substance is. Oil, petroleum, or shale oil is a liquid of natural origin that tends to color between brown to dark green and consists of a mixture of hydrocarbons, while the general components of oil are a mixture of hydrocarbons. It exists in both liquid and gaseous states, dependent on temperature and pressure. At the beginning of the oil industries, gas was a useless material and was even burned in well sites. In recent years, after the great development in the petrochemical industries, there has been an increase in demand for natural gas. Chemically, oil consists of about 11% to 13% by weight of hydrogen and 84% to 87% of carbon with a small percentage of oxygen, sulfur, nitrogen, and helium, and the main component of all types of oil is carbon and hydrogen. The other ingredients vary according to the types of oil².

Although we do not support the idea of including a definition by the legislator and enshrining it within the legal texts in general, because the definition is outside the jurisdiction of the legislator, as the role of the legislator is limited to setting the relevant legal texts on a particular subject, with a preference to leave the matter to jurisprudence to take over the process develop definitions for

² Dr. Muhammad Yusuf Alwan: *The Legal System for Exploiting Oil in the Arab Countries (A Study in International Economic Contracts)*, Kuwait University Press, Kuwait, 1982, p. 12.

some legal or scientific terms and formulate them in line with changing temporal conditions. The legislation on oil management provided a special definition of oil, as well as a definition of oil revenues. For example, the repealed Iraqi Public Debt and Financial Administration Law No. 95 of 2004 states that oil is: (hydrocarbons, including crude oil, natural gas, liquid natural gas and oil derivative products)³. And the Iraqi draft oil and gas law defined it as: (All crude oils or gas and any hydrocarbons produced or can be produced from crude oil, gas, shale oil or bituminous sand)⁴. The definition of oil was also mentioned in the Kurdistan Region Oil and Gas Law No. (22) of 2007, as it was stated in Article (1/12) of this law that crude oil⁵: (All liquid hydrocarbons in their natural states or produced from gas). natural by condensation or any other extraction method)⁶.

³ Consider Article (30) of the second section of the Iraqi Financial Management and Public Debt Law No. (95) of 2004, which is repealed. Published in the *Alwgaq Iraqi Journal*, Issue No.: 3984, dated: 04-06-2004.

⁴ Considers Article (Fourth / 7) of the Iraqi draft oil and gas law.

⁵ It should be noted here that the Oil and Gas Law of the Kurdistan Region was not satisfied with providing a specific definition of crude oil only, but its first article came with a special definition of oil and another for natural gas, in addition to the definition of associated natural gas, and this we believe is an unacceptable path, in addition to the fact that the import of tariffs We believe that it is not within the powers of the legislator, but rather it is better to leave it to the specialists from the scholars who specialize in this field. The exaggeration of the legislature in the Kurdistan region in defining all types of extracted oil in addition to crude oil increases matters complexity. In fact, there is no need for that detail at all, but if it is necessary to include a specific definition of oil, so it was more appropriate to define crude oil. As for the accompanying elements and derivatives, it is left to the specialists to define it without a legislative definition. ?

⁶ Published in the *Alwgaq Iraqi Journal*, p. 75 on 11/15/2007.

As for the oil revenues, they are the financial returns obtained by the oil-producing and exporting countries as part of the real value of this depleted resource owned by society⁷. It was also defined as: the revenues, revenues, or returns obtained by some oil-producing and exporting countries in return for the production and export of a natural resource, which is crude oil, and in return they receive cash amounts as part of the real value of this resource⁸.

And the Iraqi legislator defined, according to Financial Management Law No. (6) of 2019 as amended⁹, oil and gas revenues as: (revenues resulting from sales of crude oil and its derivatives and gas locally and externally and are included in the budget in general)¹⁰.

The Historical Development of Managing Oil Revenues in Iraq

Most of the developing countries suffered when they were colonies or economic or political annexes of the industrially advanced superpowers from difficult living, high unemployment, high inflation and a shrinking volume of

domestic production. The superpowers were the ones who had control over matters, and the measures they followed in the name of developing countries were mainly aimed at protecting their colonial interests, and as a result of the conflict of these interests between the colonial countries, especially over oil, which was at the beginning of its discovery in these countries, especially the countries of the Middle East, including Iraq. Iraq has become one of the important colonial goals in the region because of its abundant oil reserves, which hindered the development of the Iraqi oil sector as a result of colonial domination over its oil resources¹¹.

The concession system (concession contracts) was in force in Iraq until 1927, as this system included granting a foreign company a contract for research and exploration to extract oil, and the right to own and dispose of it¹², in return for paying state revenues and a tax on profits. And the administration is centrally and with a comprehensive view of the whole of Iraq from British companies, and the supervision and follow-up were from Iraq centrally through the competent departments in Baghdad¹³. Since these

⁷ Mahmoud Hamid Khalil and Ezzedine Khalil Ibrahim: The relationship between oil revenues and the Iraqi federal general budget for the period (2004-2016), research published in the Tikrit Journal of Administrative and Economic Sciences, Volume 4, Number 44, Part 1, 2018, p. 278.

⁸ Samir Sarem: The Oil Dimensions in the American War on Iraq, 1st Edition, Dar Al-Fikr, Damascus, 2003, p. 31

⁹ Published in the Alwagaa Iraqi Journal , p. 4550 on 5/8/2019.

¹⁰ Considers Article (1/Seventeen) of the amended Iraqi Financial Management Law No. (6) of 2019.

¹¹ Dr.. Muhammad Maghribi: Permanent Sovereignty over Oil Resources, A Study of Oil Concessions in the Middle East and Legal Change, Dar Al-Talia, Beirut, 1973, p. 10.

¹² Dr.. Ahmed Abdel Hamid Ashush: The Legal System of Petroleum Agreements in the Arab Countries, Dar Al-Nahda Al-Arabiya, 1975, p. 31 and beyond.

¹³ Sardar Qadir Mohieldin: The problem of legal regulation for the management of national wealth in the federal state, research

contracts were concluded under political, economic and social conditions to say the least that they are bad as a result of the subjugation of Iraq and the Arab countries to the occupation of the colonial countries, the foreign companies were the biggest beneficiary of these contracts, because with the change of these conditions these contracts are no longer valid for regulating the relationship between each of the oil-producing countries and the foreign companies contracting with them¹⁴. Which necessitated that amendments be made to it to suit the new circumstances, in a manner in which the interests of the two contracting parties to the oil concession contract are equal¹⁵.

However, the matter changed after the 1958 revolution, as foreign companies froze oil production, and this period was called the period of oil stagnation that extended from 1961 to 1972. After the issuance of Law No. (80) for the year 1961 as a result of public pressure and national forces, which was the starting point for the beginning the conflict between Iraq and the monopolistic oil companies whose interests in Iraq were affected as a result of the issuance of this law, according to

which (99.5%) of the lands covered by the concessions of foreign oil companies in Iraq were returned, so the foreign companies fought the interests of Iraq and punished it by various means¹⁶. This law paved the way for the establishment of the Iraq National Oil Company in 1964, which in turn concluded contracts with the Soviet Union, France and Hungary. That was (1.5) million barrels in 1970¹⁷.

After the American occupation of Iraq in 2003, the matter developed to establish the Development Fund for Iraq from the United Nations under Resolution No. 1483 in May 2003 to meet the requirements of the Iraqi people and infrastructure reform¹⁸, and these revenues were managed by the United Nations until The election of a constitutional Iraqi government, and the process of supervising this fund was assumed by the Administrative Director of the Transitional Coalition Provisional Authority, and then the management of the fund was transferred to the Iraqi Interim Government on 06/28/2004¹⁹.

Accordingly, the Iraqi petroleum policy from 2003 to the present has been based on

published in the scientific journal Qe Lay La Zanst, Lebanese French University, Erbil, vol. 2, v. 3, 2017, p. 181.

¹⁴ Dr.. Qabas Hassan Awwad: Al-Wajeez in the Public Finance Law, 1st Edition, Zain Human Rights Publications, Beirut, 2018, p. 179.

¹⁵ Dr.. Muhammad Yunus Al-Sayegh: Patterns of oil investment contracts under international financial law, research published in Al-Rafidain Journal of Law, College of Law, University of Mosul, Vol. 12, p. 46, 2010, 198.

¹⁶ Dr.. Abd al-Latif al-Shawaf: On the Oil Issue, Al-Maqtabah Al-Asriya House, Beirut, no publication date, p. 5.

¹⁷ Dr.. Karim Salem Hussein and Sajid Salem: The Impact of Oil Revenues on Economic Growth in Iraq (A record study for the period 1970-2015), research published in the Journal of Gulf Economics, University of Basra, p. 39, 2019, p. 40.

¹⁸ Dr.. Nagham Hussein Nima: Managing oil revenues and its role in maximizing Iraq's wealth, research published in Al-Ghari Journal of Economic and Administrative Sciences, Vol. 12, No. 35, 2015, p. 39.

¹⁹ Dr. Nagham Hassan Nehmeh: The same source, pg. 40.

a strategy of increasing production and exporting oil to achieve the largest possible number of returns²⁰.

In general, the management of revenues from oil has different types of systems, some of which were applied in Iraq and other oil countries, but they are no longer effective at the present time. country to another. Among the most important management systems for the oil sector, we will show in the following points:

First: The Public Sector Management System: It is also called the direct investment system. According to this system, the state controls all activities related to oil management, including exploration, drilling, production and marketing. This system was applied in Iraq in the year 1967 after the Iraqi government enacted Law No. (97) which allocated to the National Oil Company the rights to invest oil resources in all regions of Iraq²¹, and this company started its work in exploration, drilling, production and export until it reached its peak at the end of The 1970s, especially after the Iraqi government tightened its

control over the oil wealth after the nationalization of Iraqi oil under Law No. (69) on 1/6/1972²².

Second: Concession Contracts System: Concession contracts are long-term contracts that may reach a hundred years. This system includes a contract between a certain country and a foreign company, according to which the foreign company is granted the right to extract oil and dispose of it in return for paying a certain revenue to the host country. The foreigner pays property tax and income tax and bears all risks and expenses resulting from poor production and failure. At the end of the contract, the assets will be transferred to the host country²³. One of the most prominent features of these contracts, despite their differences from state to state, is that the right to own, explore and develop hydrocarbon wealth belongs to the company and in a specific area of the state's territory. It has already happened in many concession contracts, such as the failure of a foreign company to sell oil to enemy countries, or for the host country to take a certain amount of oil for

²⁰ Haider Alawi Shami and Naji Radees Abd: The Role of Oil Policy in Maximizing Oil Revenues, research published in Al-Kut Journal of Economics and Administrative Sciences, Volume 1, p. 23, 2016, p. 3.

²¹ Saadoun Hammadi: Memoirs and Opinions on Oil Affairs, Dar Al-Tali'ah for Printing and Publishing, Beirut, 1980, p. 35.

²² Shukri Abdullah: Oil after nationalization, Ministry of Oil, Media Department, Al-Masra Press, Baghdad, 1986, p. 2.

²³ Taghreed Daoud Salman: The Impact of Oil Revenues on the Development of the Iraqi Economy, research published in the Journal of Babylon University, Volume 24, p. 4, 2016, p. 1042.

free²⁴. Iraq signed the first concession agreement with the Turkish Oil Company on March 14, 1925²⁵. This system remained in force in Iraq until 1975, when the concession contracts phase in Iraq ended completely (50) years after the conclusion of the first concession contract with Turkey in 1925²⁶.

Third: The system of partnership contracts: the companies are granted financing to complete the exploration and extraction operations, and then the oil is divided into two parts: the first is oil cost, and this goes to foreign companies. As for the second section, it is called profit oil and it is divided between foreign companies and the state in agreed ratios, while the state may enter as a trading partner in the contract and provide a share of the capital and get the same percentage of cost oil and profit oil²⁷. These contracts are relatively short contracts compared to concession contracts, and all the

equipment and machinery used are considered the property of the host country, and there is a tax on property and a tax on profits, and the company bears all production risks and is managed by a joint committee headed by the contracting company²⁸. The Iranian Oil Law promulgated on June 31, 1957 is the first legislation in the Middle East that provides for the introduction of the system of partnership contracts in the oil industry ().

Fourth: The system of service contracts: They are also called contracting contracts, and according to this system, the state grants the foreign companies, the company and the national the right to explore and produce oil in a specific area. The national company exercises the rights of sovereignty on behalf of the state, and the foreign partner bears all the burdens and financial risks resulting from the investment. When oil is discovered commercially, the foreign partner recovers his expenses, and the contract term ranges from (15-45) years, during which the management and operations are joint between the national partner and the foreign

²⁴ Dr.. Ahmed Abdel Hamid Ashush, *The Legal System of Petroleum Agreements in the Arab Countries*, Dar Al-Nahda Al-Arabiya, 1975, pp. 75-77.

²⁵ Dr.. Biwar Al-Khansi: *The Oil File in Iraq*, Press of the Ministry of Education in the Kurdistan Region of Iraq, Erbil 2005, p. 33.

²⁶ Dr.. Fakhri Qaddouri: A summary of the history of foreign oil companies in Iraq, an article published on the official website of the Iraqi Economists Network at the following link: <http://iraqieconomists.net/ar/2013/03/02>

— Date of visit: 12/1/2022.

²⁷ Dr.. Saad Allam: *Encyclopedia of Petroleum Legislation for Arab Countries*, 1st Edition, Arab Gulf Organization, Doha, 1978, p. 188 and beyond.

²⁸ Taghreed Daoud Salman: previous source, p. 1042.

partner according to the ratios agreed upon in the contract, provided that a specific period is specified at its expiry, and the foreign partner is required to pay Taxes imposed by the host country²⁹. After its founding, the Iraqi National Oil Company signed the first service contract in Iraq with the French company Erab to develop the fields of Maysan Governorate (Bazarkan, Fakka and Abu Gharb) on 3/2/1968, and the ratification took place. It was established by Law No. (5) of 1968 by the dissolved Revolutionary Command Council³⁰.

It should be noted here that what is known today as licensing round contracts are service contracts that are widely used in countries of the world, including Iraq, which prompted the financial conditions and deteriorating technical capabilities to seek the assistance of foreign companies working as contractors under the supervision of the government to develop the oil sector that generates for it. Principal resource³¹.

²⁹ Dr. Mayh Shabib Al-Shammari and Zaman Rawi Sultan: Options available to the Iraqi oil policy, research published in Al-Ghari Journal of Economics and Administrative Sciences, College of Administration and Economics, University of Kufa, Volume 8, No. 23, 2012, p. 219.

³⁰ Dr. Muhammad Yunus Al-Sayegh: Patterns of oil investment contracts under international financial law, previous source, p. 221.

³¹ Dr. Mayh Shabib Al-Shammari and the time of Sultan's narrator: same source, p. 221.

Managing Oil Revenues in the Effective Iraqi Federal Financial Management Law

One of the important issues in the oil-producing countries is how to manage oil revenues, and this matter comes only with legal regulation, and the Iraqi legislator has regulated this matter in the amended Financial Management Law No. (6) of 2019, which we believe is a constitution for public finance in Iraq. Therefore, in this topic, we will address the mechanisms established by the Iraqi legislator in the applicable Federal Financial Management Law regarding the management of oil revenues, as well as measuring the effectiveness and efficiency of managing these revenues within the framework of this law, in the following two demands³²:

The Mechanisms of Managing Oil Revenues in the Effective Iraqi Financial Management Law

By reviewing the texts of the amended Iraqi Financial Management Law No. (6) of 2019, we find that the Iraqi legislator in this law has paid great attention to these revenues due to their previously mentioned importance. It singled out the management of oil revenues with regulation in articles (from

³² Consider Article (35) of the Financial Management Law No. (6) of 2019 as amended.

35 to 38) and between what the oil revenues include, how they are managed and guarantees of good management, and he highlighted the important role played by the Minister of Finance in managing these revenues and how to employ and spend them, as well as other materials Sporadic in the law dealt with the oil revenues of the organization. The oil revenues under this law include the following revenues³³:

1. The sum of the total returns of public companies from sales of domestic and foreign crude oil and oil and gas products.
2. All amounts resulting from oil and gas contracts executed by international oil companies.
3. The public treasury's share of the profits generated from oil and gas operations carried out by public companies

These returns from the above-mentioned sources resulting from the sale of crude oil and extracted gas go as a general revenue to the federal government, and any other amounts resulting from the investment of these funds and the financial benefits that may result from them are deposited in accounts called (oil and gas

revenue account) within the general budget federation³⁴.

The Financial Management Law granted the Minister of Finance exclusive authority to open bank accounts opened specifically for depositing all oil and gas revenues and the amounts arising from investing the surplus of the oil and gas revenues account ³⁵. The disbursement from the oil and gas revenue account shall be in accordance with the following controls³⁶:

1. The disbursement of oil and gas revenues is limited to financing the federal budget allocations or to investing the surpluses of this account only.
2. The costs of extracting oil and gas operations by public companies shall be allocated a specific section within the federal general budget, and shall be disbursed from the accounts of oil and gas revenues.
3. The disbursement from the oil and gas revenue account shall not take place without the signature of the Minister of Finance and two employees whose job rank is not less than a general manager, who are chosen by the Minister of Finance, and they are not

³³ Consider the second and third paragraphs of Article (37) of the same law.

³⁴ It considers Article (36) of the Financial Management Law No. (6) of 2019 as amended.

³⁵ Consider Article (37/First) of the same law.

³⁶ Consider the second and third paragraphs of Article (37) of the same law.

entitled to authorize others to spend.

As for investing the surplus oil revenues in the oil and gas account, it is subject to the following controls:

4. That the oil and gas account be invested in credible financial assets³⁷.
5. The Ministry of Finance prepares the investment policy for the oil and gas revenue account surplus and submits it to the Council of Ministers for approval³⁸.
6. Reviewing the investment policy at least once every six months by the Ministry of Finance, due to the instability of oil prices; It is always subject to rise or fall³⁹
7. The surplus of the oil and gas revenue account shall be invested by the Central Bank of Iraq or government banks in accordance with the investment policy prepared by the Ministry of Finance⁴⁰.

Given the critical importance of calculating oil and gas revenues and the government's almost complete dependence on it in financing the general budget, and the role of these revenues for the Iraqi (rentier) economy in achieving stability and economic balance⁴¹, the Iraqi financial

management law has surrounded it with a set of guarantees And the controls that ensure good management and disposal of the revenues it contains and control over them, and the management of financial surpluses that are achieved during periods of economic boom with the aim of achieving effectiveness and efficiency in exploiting oil revenues, as follows:

First: Although the Ministry of Finance undertakes the task of preparing the investment policy, it is also responsible for preparing the financial statements for calculating oil and gas revenues and keeping their records, and the law requires this ministry to prepare financial statements in accordance with international and national standards⁴². The accounting standard is a general law that guides the accountant when preparing the financial reports and then the final statements of the institution, as there must be specific standards to help the accountant perform his work and guide his practical practice in accounting and auditing⁴³. Note that the effective financial management law grants the Minister of Finance

³⁷ Consider Article (37/Fourth) of the same law.

³⁸ Consider Article (37 / Fifth / A) of the same law.

³⁹ Consider Article (37 / Fifth / B) of the same law.

⁴⁰ () See Article (37 / Fifth / C) of the same law.

⁴¹ Bou Al-Ma'er Sharifa: Governance and Economic Efficiency in the Management of Oil Revenues in Algeria, research published in Milaf Journal for Research and Studies, Volume 4, p. 1, Algeria, 2018, p. 123.

⁴² See Article (37/Sixth) of the same law.

⁴³ Dr. Hassan Abdel Karim Salloum and d. Muhammad Nouri: The Role of International Accounting Standards in Reducing the Global Financial Crisis, Research Presented to the Seventh International Scientific Conference, Faculty of Economics and Administrative Sciences, Zarqa Private University, Jordan, 2009, p. 12.

the power to determine accounting standards for ministries and entities not associated with a ministry, the region and governorates that are not organized in a region in accordance with international and national accounting standards under Article (32/Third) thereof.

Second: The oil and gas revenue account is subject to auditing by the Federal Office of Financial Supervision and an internationally known external auditor⁴⁴. The external auditor means the person who audits the accounts and activities of any institution, and this auditor is from outside the work structure of these institutions subject to audit⁴⁵.

Third: The law requires the Minister of Finance, after the process of calculating oil and gas revenues and investment operations is completed, to submit the following reports to the House of Representatives and the Economic Affairs Committee or its replacement in the Council of Ministers⁴⁶:

1. A detailed report on oil and gas revenue accounts within three weeks from the end of each month, including the following:

- A. The amount of the opening balance and the closing balance for calculating oil revenues.
- B. The main assets in the account
- C. Summary of movements on activity within the account.

2. The findings and results of the audit process for investing the surplus from the oil and gas revenue account, provided that they are submitted before the end of the month following the end of each semester.

3. The report of the Federal Office of Financial Supervision related to the audit of the financial statements for each year, including the movement of funds to account for oil and gas revenues.

Fourth: The Economic Affairs Committee or any committee replacing it shall study the reports mentioned in the previous point, and after this committee has completed its study of the reports submitted to it by the Minister of Finance and the audit findings it has reached, it shall submit the results of the study to the Council of Ministers⁴⁷.

Fifth: With regard to the guarantees surrounding the quantities of oil

⁴⁴ Consider Article 37 and Seven of the Financial Management Law No. (6) of 2019 as amended.

⁴⁵ Haider Abbas Al-Attar, Ali Nazim Al-Sheikh and Fawaz Khalif Rashid: Analyzing the relationship between the external auditor's reports and the weakness of the internal control system in light of the use of accounting standards, research published in the Journal of Development of Al-Rafidain, College of Administration and Economics, University of Mosul, Vol. 37, p. 119, 2018, p. 37.

⁴⁶ Consider Article (38/First) of the same law.

⁴⁷ Consider Article (38/Second) of the same law.

produced, and the sums of money generated by the sale and export of oil and gas, as well as the existing payments and claims in favor of international oil companies, the financial management law in force imposed the following two obligations⁴⁸:

1. The law requires public companies that engage in activities related to oil or gas to submit a report to the Ministers of Finance and Oil within a month after the end of every three months, including the quantity and amount of all production and sale operations, that is, the amount of oil that has been extracted and what has been exported. ?
2. The law obliges the Minister of Finance, within one month from the date of submission of reports by public oil companies, to submit a conformity report to the Council of Ministers indicating the extent of conformity between the figures contained in the public companies' reports with the reports of calculating oil and gas revenues

during the same period⁴⁹. With the aim of raising the levels of transparency, accountability and accountability in the extractive industries, and for the legislator to realize the importance of observing the principle of transparency in the management of oil revenues through the development of a clear and declared legal, regulatory and administrative framework for the management of these revenues, it is within the framework of the Federal Financial Management Law No. (6) of 2019 as amended This law requires the application of the principle of transparency in the management of oil revenues, as it obliges the Federal Ministry of Finance to publish on its website the following topics⁵⁰:

1. The investment policy for the oil and gas revenue account surplus approved by the Council of Ministers, as stipulated by the law in Article (57 / Fifth).
2. The detailed monthly report on the oil and gas revenue account, including the opening balance,

⁴⁸ Consider Article (38/Third and Fourth) of the same law.

⁴⁹ Consider Article (38/Third and Fourth) of the Federal Financial Management Law No. (6) of 2019 as amended.

⁵⁰ See Article (50/Second) of the same law.

closing balance of the aforementioned account and basic assets. The law stipulates that this report must be prepared in Article (38/First).

3. The results of the quarterly audit of each year of the investment status for calculating oil and gas revenue, as stipulated by the law in Article (38/First/B).
4. Annual financial statements for calculating oil and gas revenue, as stipulated by the law in Article (38/I/B).
5. Reports of public companies that carry out oil and gas operations submitted under the provisions of Clause (Third) of Article (38) of the law.
6. Oil and gas revenue account reconciliation reports stipulated in Clause (Fourth) of Article (38) of the law. ?

end as soon as oil resources are cut off. And the need for this administration to be based on effective foundations and rules upon which its structure is based, within a legal framework imposed by a free national will aimed at achieving economic stability and the welfare of the citizen, as well as the need to enhance the level of accountability and transparency in the conduct of the work of the institutions charged with managing oil revenues, and to work on their continuous submission for supervision and oversight. In this requirement, we will address the pros and cons of the effective financial management law, which is in the process of regulating the management of oil revenues, so that we may stand on the basis of the economic problems that our rentier economy suffers from and try to give appropriate solutions to them after diagnosing the weaknesses and strengths of managing these revenues in this law.

Assessing the efficiency and effectiveness of managing oil revenues in the effective Iraqi financial management law

In order to prove the research hypothesis that an efficient oil policy must be based on the management of oil revenues in a manner that ensures that this wealth is not squandered in activities that do not have self-sustaining elements that

First: the pros:

1. Since the Iraqi legislator has dared to include the definition of oil revenues in the core of the law⁵¹, we find that he has been in accordance with this definition from several aspects, by including the phrase (crude oil and its derivatives), meaning that these

⁵¹ It considers Article (1/seventeenth) of the Federal Financial Management Law No. (6) of 2019 as amended.

revenues In addition to oil and gas revenues, it includes other revenues such as revenues of gasoline, kerosene, oils, etc., on the one hand and on the other hand, the comprehensiveness of the revenues, whether they were sold abroad or at home, as well as determining the fate of these revenues that all of them are entered and recorded within the federal general budget under an account The oil and gas revenue account is called⁵².

2. The legislator did well when he granted the right to the Central Bank of Iraq and government banks to invest the surplus in the oil and gas revenue account⁵³, since the Central Bank is the state bank that manages its financial operations, in addition to being its financial advisor and custodian of public money According to Law No. 56 of 2004 as amended, and his extensive experience in financial affairs in general and monetary affairs in particular⁵⁴. This confirms the experience that the Central Bank has in managing oil revenues through its

management of the Development Fund for Iraq, especially after the termination of international protection on the funds of the Development Fund for Iraq on June 30, 2011, pursuant to Security Council Resolution No. 1956 of 2010⁵⁵.

3. The issue of auditing the oil and gas revenue account in general and entrusting the audit process to an internationally known external auditor, as well as to the Federal Financial Supervision Bureau, are among the positive aspects of this law⁵⁶, as auditing generally provides official data related to oil production, export, consumption and revenues And verifying its authenticity with all transparency, which contributes to preserving the largest source of revenue in the state. As for entrusting the audit process to an internationally known external auditor, this certainly reinforces the legislator's position on the modern principles of oil policy governance, especially those related to accountability, control and transparency. The auditing and review of this account by an

⁵² Consider Article (36) of the same law

⁵³ Consider Article (37 / Fifth / C) of the same law.

⁵⁴ Dr.. Ahmed Khalaf Hussein Al-Dakhil: Sovereign Wealth Funds between the Ideal of Offering and the Requirements of Good Governance, 1st Edition, Memory for Publishing and Distribution, Baghdad, 2018, pg. 60.

⁵⁵ Dr.. Mazhar Muhammad Salih Qasim: Monetary and Financial Policy and Control of Inflation and Exchange Rate Variables, Hammurabi Center for Research and Strategic Studies, Baghdad, 2011, p. 7.

⁵⁶ Consider Article 37/Seventh of the same law.

internationally known, independent professional external auditor gives citizens reassurance, especially those who doubt the government and its seriousness in providing welfare for the members of society. The importance of this measure also appears in that it constitutes a positive signal for international investors and encourages them to invest in the oil and gas sector, which in turn provides job opportunities for citizens and stimulates economic growth in the country. Among the advantages that the legislator has achieved in this regard is that the international audit, due to its sobriety, provides practical experiences to a large number of oil administration employees specialized in auditing, enhances their skills and familiarizes them with the latest international auditing and auditing methods, which qualifies them to transfer those experiences to others who work in the two sectors. Public and private, especially employees working in the Board of Supreme Audit after the law involved them in the task of calculating oil and gas revenue with the international auditor under Article (37 / VII) thereof, who may

be able in the future to audit this account on their own if they have sufficient expertise .

4. One of the positive aspects of the effective financial management law regarding the management of oil revenues is that it is not limited to the adoption of national accounting standards only regarding the preparation of financial statements for calculating oil and gas revenues, but rather combines those national standards with international accounting standards⁵⁷, as a result of the globalization of international activity and the openness of Iraq to the outside world after 2003 and the emergence of foreign oil companies practicing oil operations in Iraq⁵⁸. Since these companies carry out their accounting operations in accordance with international standards, it was necessary for the legislator to combine and harmonize between these two types of standards; The national system represented in the unified accounting system and international accounting standards, and this is what actually happened

⁵⁷ Consider Article (37/Sixth) of the same law.

⁵⁸ Raja' Sadeq Bijan: Harmonization of International Accounting Standards for International Oil Companies in the Iraqi Environment, research published in Al-Kut University College Journal, v. 3, 2017, p. 3.

in this law, in recognition of the Iraqi legislator of the role that international accounting standards play in achieving international accounting compatibility in order to obtain financial statements with stable and reliable accounting information for the use of stakeholders in making rational decisions⁵⁹.

5. The Iraqi legislator, in the effective financial management law, approved the principle of transparency⁶⁰, and allowed the process of informing the public of the state's perception regarding its management of oil revenues, by being open to the public and abandoning ambiguity, confidentiality and misinformation, and easy understanding of financial and economic rules and decisions and their submission. oversight⁶¹, which contributes to achieving the soundness of financial and economic policies by combating corruption, of which transparency is one of the most important means of combating it, as well as the role of transparency in creating a stable

domestic and foreign investment environment as a result of the stability of public financial practices resulting from enhancing confidence in operations Government Finance⁶². The purpose of making this information available to the public is to give individuals the opportunity to be able to view and control the revenues generated from the extractive industries and how to manage them, especially the oil and gas industry, and to assess the financial situation of the government and determine the costs and returns of its various activities and areas of expenditure with complete accuracy, including their effects. The current and future economic situation, confronting the waste of public funds, revealing policies, and showing flaws and administrative and financial corruption in the management of this file. Transparency is the government's way of establishing a culture of accountability, and enabling citizens to hold their government accountable for how it manages public funds, which contributes to establishing a new

⁵⁹ Riyadh Jassim Al-Abdullah: Accounting Standards and Developing Countries, Research Presented to the Ninth Arab Scientific Conference on Accounting Standards and Auditing Evidence, Jordan 1992.

⁶⁰ Consider Article (50/Second) of the same law.

⁶¹ Bilal Barghouti: Integrity, Transparency and Accountability in the Face of Corruption, 4th edition, Collage Art Production, Palestine, 2016, p. 60.

⁶² Dr. Sam Dallah: From the State of Law to Good Governance, Integration in Principles, Mechanisms, and Objective, research published in Damascus University Journal of Economic and Legal Sciences, Volume 30, Vol. 2, 2014, p. 90_91.

social contract in which citizens enjoy rights and duties. This position, which counts for the legislator, is in line with the principles approved by (the Extractive Industries Transparency International Initiative “EITI”) and the criteria set forth by this initiative⁶³, of which Iraq was officially admitted to membership in 2010⁶⁴.

6. The legislator concluded the sixth chapter of the effective financial management law devoted to the management of oil revenues with parliamentary oversight over the management of oil revenues, in accordance with Article (38 / first) of the law, which is the last article among the four articles mentioned

⁶³ The Extractive Industries Transparency Initiative was launched in Johannesburg in September 2002 and the initiative has evolved into an international coalition that includes the governments of the countries concerned, the World Bank Group, oil, gas and mining companies, various bodies in the industry sector, investors, and civil society organizations. Its principles were agreed upon at the Lancaster House conference, which was held in June 2003 in the United Kingdom. The initiative is a global standard that enhances transparency in dealing with extractive industry revenues to improve governance in resource-rich countries through the full publication and verification of corporate payments and government revenues from oil, gas and mining activities. The initiative not only aims to protect societies and their wealth imports from the scourge of corruption that may surround their extractive industries in the absence of transparency, but it also protects investors and owners of companies operating around the world. The Secretariat of the Initiative is hosted by the Government of Norway, which is based in Oslo. For more details see:

Alison Paul Deschreever and John Johnson: Legislators' Guide to the Extractive Industries Transparency Initiative, 2009, published on the official website of the Kuwait Transparency Association at the following link: <http://www.transparency.org.kw.au-ti>.

_ Date of visit: 6/2/2022

⁶⁴ Sattar Saad: Iraq's accession to the Extractive Industries Transparency Initiative, an article published on the official website of the Civil Dialogue Foundation at the following link: Visit date: 7/2/2022.

<https://www.ahewar.org/debat/show.art.asp?aid=23040>

in this chapter, as if The legislator wanted to say that all the above-mentioned procedures regarding the management of oil revenues are subject to the oversight of Parliament (as well as the Committee on Economic Affairs in the Council of Ministers), but the most prominent and most important oversight role in this framework is that of Parliamentary oversight, specifically the Parliamentary Oil and Energy Committee. The law obliges the Minister of Finance to submit to the Iraqi Parliament a detailed report on the oil and gas revenue account, including the opening balance and closing balance of the aforementioned account and basic assets, and the results of the quarterly audit on the status of investments, as well as the report of the Federal Financial Supervision Bureau on the financial statements Annual report on the movement of oil and gas revenue account funds. The oversight of the management of oil and gas revenues by the legislative authority stems from the fact that the latter has jurisdiction in approving the state's general budget, for which the oil financed

is the basis. The executive branch under Article (61/Second) thereof, and among these works is what is related to the management of oil revenues⁶⁵.

Second: The negatives:

Every human action must be subject to deficiency or error and receive its share of criticism that helps in correcting that error, for perfection is for God alone. And Financial Management Law No. (6) of 2019 as amended is nothing but a humanitarian act marred by some shortcomings that do not diminish its importance and its positives, which we see more than its shortcomings and shortcomings. By examining the texts that dealt with the issue of managing oil revenues, we have identified some of the shortcomings that we believe should be reconsidered, and the following is their statement:

1. It was stated in the fourth paragraph of Article (37) of the law that it is permissible to invest the surplus of the oil and gas revenue account in (credible financial assets). We find that this text has been marred by ambiguity and confusion, as the legislator did not

clarify what these assets are, and what are the credibility criteria that must be available in financial assets in order for the law to allow the investment of oil revenue account surpluses in them. As for this situation, the achievement of this credibility or not is subject to the whims and desires of those in charge of managing these accounts and those responsible for their investment. On the other hand, the legislator did not specify the authority competent to determine the extent to which this credibility is achieved or not, and who is the authority that monitors the extent of its realization, is it the executive authority or the legislative authority, or is it assigned the task of monitoring the verification of credibility criteria in the assets in which it is permissible to invest the surplus of the account of oil revenues to an independent regulatory body

2. Article (37/Fifth/A) stipulates that the Ministry of Finance shall prepare the investment policy for the oil and gas revenue account surplus and submit it to the Council of Ministers for approval. We believe that entrusting the development of the investment

⁶⁵ Abdul Sattar Hamad Nejad: The Legal Organization of Financial Resources Management in the Iraqi State (a comparative study), PhD thesis, College of Law and Political Science, University of Kirkuk, 2021, p. 263_264.

plan for oil and gas revenue account surpluses only to the Ministry of Finance is wrong. Rather, it would have been better for the legislator to refer the issue of preparing this policy to the Economic Committee in the Council of Ministers, given that the latter consists of several ministers, including a minister. The Minister of Finance, the Minister of Oil, the Minister of Commerce, the Minister of Planning, the Minister of Industry and Minerals, as well as the Governor of the Central Bank. All of these are responsible for drawing up the economic policy in the state, including the fiscal, monetary and commercial policy, each according to the field of work that he presides over⁶⁶. Not to mention that one of the objectives of the Economic Committee and through coordination between ministries and agencies not affiliated with a ministry and the competent authorities in matters of an economic and financial nature, we say that one of the most important objectives of the committee is to propose the basis for formulating the economic and

financial policy of the state, as well as defining the means of implementing this policy. and requirements for their implementation, and solving problems related to the implementation of those policies⁶⁷. Among them are policies related to the management and investment of oil revenues to meet the requirements of achieving economic development and ensuring its sustainability.

3. We did not find the Ministry of Oil any active and influential role in the management of oil revenues, except for referring to the reports prepared by the Ministry on the quantities of oil produced and the source, production costs and the expected production volume for three consecutive years, which are attached to the draft federal budget⁶⁸. Whereas, the Ministry of Oil, under the powers stipulated in Law No. 101 of 1976, as amended⁶⁹, assumes the management of the oil sector, and is concerned with the practice of oil and gas exploration, drilling and extraction, liquidation operations

⁶⁶ See Article (3) of the dissolved Revolutionary Command Council Resolution No. (84) for the year 1995 regarding the formation of the Economic Affairs Committee, which is linked to the Council of Ministers.

⁶⁷ Article (2) of the same decision is considered.

⁶⁸ Consider Article (10/ε) of the Iraqi Federal Financial Management Law No. 6 of 2019 as amended.

⁶⁹ Published in the Alwgaah Iraqi Journal , Issue: 2548 on 13/9/1976.

and the gas industry, as well as Transportation and marketing of crude oil and gas and its products and all that is related to the extractive, financial and marketing policies of the oil sector⁷⁰. And many other specialties related to oil management that there is no room to mention in this research.

4. Although the law has provided for the establishment of a sovereign fund, in which the surplus of public revenues will be placed after covering public expenditures in a particular fiscal year⁷¹, what is taken on this fund is that the financing of this fund is linked to the public budget and the surplus that It is achieved after covering the actual deficit from oil and non-oil revenues, and it did not include any details about this fund, and whether it is a generation fund, a stabilization fund or an investment⁷². While the first was that this law included the establishment of a special fund for oil revenues in which a specific percentage of the oil revenues

would be deposited, so that the funds of this fund would be isolated from the state's general budget, in order to invest it and create sustainable returns that would be used to promote economic development and achieve economic stability and financial for future generations, rebuilding the country's infrastructure, paying off its accumulated external debts resulting from continuous borrowing in previous budgets to finance the public budget deficit, and gradually getting rid of the rentier pattern of the Iraqi economy that depends almost entirely on oil to cover its public expenditures. In itself, this fund constitutes a reserve balance that protects the economy from the sudden and fluctuating decline in oil prices.

5. The law did not specify the mechanisms for coordination and cooperation to be developed and implemented by the federal government and the Kurdistan Regional Government in order to manage oil revenues.

⁷⁰ Consider Article (5) of the amended Law No. (101) of the Ministry of Oil Regulating Law No. 101 of 1976.

⁷¹ Consider Article (19/Second) of the amended Iraqi Financial Management Law No. (6) of 2019.

⁷² Dr.. Haider Hussein Al Tohme: The new financial management law is its money and what it is, an article published on the official website of Al-Nabaa Information Network at the following link:
<https://annabaa.org/arabic/economicarticles/20844>
 _ Date of visit: 2/15/2022.

CONCLUSION

1. The Iraqi petroleum policy from 2003 to the present was based on the strategy of increasing production and

- exporting oil to achieve the largest possible returns. As a result of the deteriorating financial conditions and technical capabilities, the state resorted to what is known as licensing round contracts, with the help of foreign companies working as a contractor under the supervision of the government to develop the oil sector.
2. Iraq lacks a serious and advanced management in the field of the oil sector, as the Iraqi experience's lack of clear policies and mechanisms for managing the oil sector has made the Iraqi economy more fragile in the face of the challenges of oil price fluctuations, especially with regard to the almost total dependence on the resource. The issue of non-disengagement between operating expenses and oil revenues, and not directing those revenues to financing investment expenditures.
 3. The Iraqi legislator dealt with the mechanisms of managing oil revenues under the Federal Financial Management Law No. (6) of 2019 amended in accordance with the principles of governance in the management of state finances in general, and the mechanisms for applying these principles in relation to the management of oil revenues represented by control, auditing, accountability and transparency.
 4. The law grants the Ministry of Finance and its Minister wide powers and tasks in the management of oil revenues, starting with opening bank accounts for oil revenues and the authority to exchange from this account, and ending with submitting a report of compliance with reports of public companies that engage in activities related to oil and gas with revenue account reports. Oil and gas to the Council of Ministers.
 5. Given the experiences that the Central Bank of Iraq possesses in managing oil revenues, as well as being the state's bank and the state's financial advisor, the financial management law in force authorizes the Ministry of Finance to invest the surplus in the oil and gas revenue account through this bank in accordance with the investment policy.
 6. The legislator was keen in the effective financial management law to adhere to international accounting standards with regard to preparing financial statements for calculating oil and gas revenues because of their role in achieving international accounting compatibility and providing solid accounting information.

7. The law entrusted the process of auditing the oil and gas revenue account with an internationally known external auditor, as well as the audit of this account by the Financial Supervision Bureau.
8. The financial management law in force did not grant effective powers to the Ministry of Oil in managing oil revenues, although it has broad powers in this regard stipulated in the amended Law No. 101 of 1979 regulating the Ministry of Oil.
9. The law did not address the nature of the sovereign fund, which stipulated that surplus of actual revenues should be placed in it over the estimates specified in the general budget after covering the actual deficit, in addition to not providing for the entity that manages this fund or how to invest the funds placed in it. The authority competent to monitor the management of these funds.
10. Despite the positive aspects of the amended Iraqi Financial Management Law No. (6) of 2019 with regard to the management of oil revenues, we believe that it is not sufficient to manage this important file on which Iraq depends in financing the public treasury. We believe that the first is to legislate an oil and gas law that works to restore life to the oil sector by

providing the legal framework for its construction and providing it with modern technology and expertise necessary to increase oil production and export. As well as putting an end to the differences between the federal government and the Kurdistan Regional Government regarding the management and investment of oil, and auditing and matching accounts for oil and gas produced in the region. Especially with the presence of ambiguity and conflict in the texts of the Iraqi constitution for the year 2005 regulating the issue of oil and gas

SUGGESTIONS:

1. It is necessary to include in the financial management law in force legal restrictions on the state's oil policy to help it isolate its financial policy with regard to oil management from political pressures.
2. The Iraqi oil economy requires the establishment of a fund in which a certain percentage of oil and gas revenues are reserved exclusively, and this fund undertakes the task of isolating the general budget and the macro economy from fluctuations in international oil prices, in order to achieve economic and financial stability and preserve the rights of

future generations to As well as being an important base for initiating projects of economic and social priority in order to achieve success in the process of economic development. Provided that this fund is managed by an independent body established by law

3. Assigning the preparation of the investment policy for surplus oil and gas revenues to the Economic Committee in the Council of Ministers instead of the Ministry of Finance, because one of the most important tasks of the said committee is to propose the basis for formulating the state's economic and financial policy and to determine the means for its implementation.
4. Activating the role of the Ministry of Oil in managing oil revenues by explicitly stipulating it in the effective financial management law, given the important powers granted by Law No. (101) of 1976 amended to this ministry in the management of the oil sector.
5. Legislating important laws related to the state's public finances, which have an effective impact on the Iraqi economy, and activate the disabled ones, the most important of which are the Law of the Public

Authority for Monitoring the Allocation of Federal Revenues, and the Oil and Gas Law, in order to achieve efficient and effective management of oil revenues, as well as On resolving disputes between the central government and the Kurdistan Regional Government related to the management of the oil file.

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6. Federal Financial Management Law No. (6) of 2019 as amended.



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