

Statement for the U.S. Congress: Strengthening Iraq's Economic Independence & Countering Iranian Influence

Dear Members of Congress,

I write to urge a recalibrated approach to U.S. economic policy in Iraq—one that fosters **economic integration, private sector growth, and financial stability and inclusion** while simultaneously **countering corruption, blocking Iranian influence, and reducing reliance on foreign aid**.

The current U.S. approach to Iraq's economy, particularly through broad financial restrictions, has **unintentionally strengthened Iran's grip** by pushing legitimate businesses toward illicit financial networks. A course correction is necessary to prevent further instability, economic collapse, and potential migration crises.

To achieve this, I propose the following **four key policy actions**:

1. Restore Currency Stability & Block Financial Corruption

- **Reinstate a stable exchange rate (1,450 IQD per \$1)** or fully liberalize Iraq's currency to eliminate black-market advantages exploited by Iran-backed financial actors.
- **Enforce strict oversight on Iraqi banks involved in money laundering and dollar smuggling** to Iran and Syria, cutting them off from U.S. dollar access.
- **Coordinate with the U.S. Treasury and IMF** to stabilize financial institutions while strengthening **anti-money laundering (AML) compliance**.

2. Open Iraq to Global Markets & Investment

- **Reduce barriers to foreign direct investment (FDI)** and encourage U.S., Gulf, and international firms to invest in **Iraq's infrastructure, fintech, energy, and manufacturing sectors**.
- **Expand financial inclusion through digital banking and fintech solutions** to bypass cash-based systems controlled by militias and corrupt networks.
- **Encourage private sector growth** by cutting bureaucratic red tape and implementing **business-friendly reforms** that attract investment and create jobs.

3. Reform Sanctions to Target Bad Actors, Not Iraq's Economy

- **Sanction individuals and entities directly linked to Iran’s financial networks** (e.g., Q Card’s Bahaa Abdul Hussein) while allowing **legitimate Iraqi businesses** to access global markets.
 - **Enhance financial transparency** by working with **allied governments and institutions** to prevent Iran from using Iraq’s banking system to evade sanctions.
 - **Ensure U.S. banking restrictions do not cripple Iraq’s economy**, but instead focus on disrupting IRGC-affiliated militia funding and illicit financial operations.
-

4. Pressure Iran-Linked Political Parties to Exit Iraq’s Government

- **Impose sanctions on Iraqi political parties with direct IRGC affiliations** unless they disengage from the political system.
- **Condition U.S. aid and military assistance on the exclusion of Iran-backed parties from Iraq’s government.**
- **Support Iraqi sovereignty movements and civil society organizations** that push for an independent, corruption-free government.

Why This Approach Matters:

- ✓ **Reduces Iran’s economic and political control over Iraq** while keeping legitimate financial pathways open for trade and investment.
- ✓ **Prevents economic collapse and mass migration crises** by ensuring Iraqis have access to stable markets and employment.
- ✓ **Encourages long-term economic independence** rather than fostering continued aid dependency.
- ✓ **Aligns U.S. policy with Iraq’s stability and regional integration**, reducing space for militias and corrupt actors.

Conclusion:

Iraq stands at a crossroads. A failure to adapt U.S. economic policy will further entrench Iranian influence and weaken Iraq’s sovereignty. The U.S. **must adopt a balanced approach—opening Iraq’s economy to investment while sanctioning bad actors—to secure stability, economic growth, and long-term U.S. strategic interests in the region.**

I urge Congress to support these targeted actions to ensure a **sovereign, economically independent Iraq**, free from undue foreign control.

[Faisal Saeed Al Mutar](#)

Founder and President of Ideas Beyond Borders

Faisal@ideasbeyondborders.org

*The Open Dialogue Foundation, Inc. is registered as an agent of the Open Dialogue Foundation located in Brussels, Belgium under 22 U.S.C. § 611 et seq.

These materials are distributed by the Open Dialogue Foundation, Inc. on behalf of the Open Dialogue Foundation.

Further information is on file with the Department of Justice, Washington, DC.