

BANQUE DU LIBAN

Basic Circular No 111

**Addressed to banks
and also to Financial Institutions, Financial Intermediation Institutions,
Leasing Companies, Money Exchange Institutions, and the Public**

Attached is a copy of Basic Decision No. 9708 of September 24, 2007, relating to cash transfers according to the Hawala system.

Beirut, September 24, 2007

The Governor of the Banque du Liban

Riad Toufic Salamé

Basic Decision No 9708

Cash Transfers according to the Hawala System

The Governor of the Banque du Liban,

Pursuant to the Code of Money and Credit, particularly Articles 70 and 174 thereof,

Pursuant to Law No 133 of October 26, 1999 on the Banque du Liban General Mission, particularly Article 1 thereof; and

Pursuant to the Decision of the Central Council of the Banque du Liban, taken in its meeting of September 19, 2007,

Decides the following:

Article 1:

For the purpose of implementing the provisions of this Decision, the term “Hawala” shall mean informal systems for money transferring, which are outside the conventional financial sector and are used by institutions and individuals, including Hawala brokers and intermediaries (Hawala Dar).

Article 2:

Money exchange institutions of Category A are the only institutions entitled to carry out Hawala cash transfers, whether for their own account or on behalf of a third party.

Article 3:

Any money exchange institution of Category A wishing to carry out “Hawala” cash transfers must:

- a- Send to the Banque du Liban a prior, written notification.
- b- Keep, for a minimum five-year period, Hawala records that include, at least, the information mentioned in the Form attached to this Decision, in addition to photocopies of official documents pertaining to concerned clients.

Article 4:

Institutions whose status is inconsistent with the provisions of this Decision are granted a six-month period to abide by these provisions and regularize their situation accordingly, particularly as regards the implementation of Article 3, Paragraph (a) of this Decision.

Article 5:

This Decision shall come into effect upon its issuance.

Article 6:

This Decision shall be published in the Official Gazette

Beirut, September 24, 2007

The Governor of the Banque du Liban

Riad Toufic Salamé

