

Banque du Liban

**Basic Circular No 49
Addressed to Banks, Financial Institutions,
Financial Intermediation Institutions,
Collective Investment Schemes and Auditors**

Attached is a copy of Basic Decision 7074 of September 5, 1998, relating to Collective Investment Schemes.

Beirut, September 5, 1998

The Governor of the Banque du Liban

Riad Toufic Salamé

BANQUE DU LIBAN**Basic Decision No 7074****Relating to Collective Investment Schemes**

**The Governor of the Banque du Liban,
Pursuant to the Code of Money and Credit, notably Article 70 thereof,
Pursuant to Law 520 of June 6, 1996, relating to the development of financial markets
and fiduciary contracts, notably Articles 1 and 2 thereof, and
Pursuant to the Decision of the Central Council of the Banque du Liban, taken in its
meeting of August 31, 1998,**

Decides the following:

Definitions¹

The following expressions shall be construed as:

- Scheme:** A Collective Investment Scheme in securities and other financial instruments, notwithstanding its form of establishment, which object is limited to using the funds received from the public for a collective investment in securities and other financial instruments, provided the investment is based on risk spreading. A collective investment scheme in securities and other financial instruments may be established as a mutual fund or as a collective investment company.
- Fund:** A mutual fund investing in securities and other financial instruments.
- Company:** An investment company with variable capital specialized in investing in securities and other financial instruments.
- Manager:** A company entrusted with the management of the Fund or the Company.

¹- These definitions were added by Article 1 of Intermediate Decision 8154 of June 13, 2002 (Intermediate Circular 21).

- Investment Manager:** A company entrusted with establishing and monitoring an investment strategy.
- Custodian:** An institution where the assets of the Fund or the Company are deposited.
- Representative:** An applicant for an authorization to promote or market foreign collective investment schemes, or one who offers or sells the stocks or shares of such schemes in Lebanon.
- Foreign Scheme:** A Scheme which headquarters and those of the Manager or the Company are outside Lebanon.

Section I: Conditions of Establishment and Authorization

Article 1¹:

With due consideration to laws in effect, particularly Article 1 of the Law on Insurance Companies, published by Decree 9812 of May 4, 1968, no natural person or legal entity may attract or collect by whatever means, regularly or occasionally, any savings and funds in Lebanon, for the purpose of making collective investments through any form of collective investment scheme (fund or company), before obtaining a prior authorization from the Central Council of the Banque du Liban. It is also prohibited to promote a foreign or national collective investment scheme, or to encourage any investor, by whatever means, to invest in any such scheme, before informing the investor about the risks, charges and commissions associated with the proposed investment and providing him/her with all information that could affect his/her financial decisions and commitments.

Article 2²:

A prior authorization from the Central Council of the Banque du Liban is required for promoting or marketing foreign collective investment schemes, or for offering or selling the stocks and shares of such schemes in Lebanon. The Central Council authorization is contingent upon the following:

- a- Proving that the Scheme which stocks or shares are to be offered or sold in Lebanon is governed by similar regulations and provisions to those governing Schemes in Lebanon.
- b- The Scheme should have the following characteristics:

¹- The text of this Article was amended by Article 2 of Intermediate Decision 8154 of June 13, 2002 (Intermediate Circular 21).

²- The text of this Article was amended by Article 2 of Intermediate Decision 8154 of June 13, 2002 (Intermediate Circular 21).

- 1- The functions of the Manager are independent from those of the Custodian, with no combination of functions on either side.
 - 2- The Manager is liable for the representatives it appoints, in case the Scheme's by-laws allow for a delegation of functions to third parties.
 - 3- The Manager runs the Scheme according to the Scheme's by-laws, taking exclusively in consideration the interests of stockholders or shareholders.
 - 4- The Scheme's assets remain segregated from the Manager's aggregate assets in case the latter becomes insolvent or bankrupt, so the Scheme's assets may not be subjected to the provisions and effects related to the Manager's insolvency or bankruptcy.
 - 5- The Custodian carries out its duties in accordance with the Scheme's by-laws, taking exclusively into account the interests of the stockholders or shareholders.
 - 6- Evidence must be given that the Custodian is:
 - taking all necessary measures for the daily management of the Scheme's assets.
 - carrying out the Manager's instructions, unless inconsistent with the Scheme's by-laws.
 - 7- Evidence must be given that the Custodian is ascertaining that:
 - the issuing, selling, repurchasing and canceling of shares made for the Scheme or Manager's benefit is carried out in accordance with the Scheme's by-laws.
 - the value of shares is computed in accordance with the Scheme's by-laws.
 - the Scheme's revenues are allocated in accordance with the Scheme's by-laws.
- c- In some cases, and in order to grant the requested authorization, the Banque du Liban may require financial guarantees to be submitted by the Representative in Lebanon. In case the latter is a bank, the value of financial guarantees should not exceed 7% of the equity capital of the concerned bank.
- d- The authorization application must include the following documents:
- 1- A summary prepared according to the Form attached to this Decision (Annex 7), in addition to the necessary documents, with a clear indication of the pages that include the requested information in Annex 7.
 - 2- An original copy of the prospectus, signed by the Manager, the Custodian and the Representative of the Collective Investment Scheme in Lebanon.
 - 3- The by-laws of the Fund or those of the Company, in case the Fund is established as a collective investment company, notwithstanding its legal form.
 - 4- A certified true copy of a statement recently issued by the control authorities in the country of origin, certifying that the Scheme has obtained the required authorization and is subject to their continuous control.
 - 5- The quarterly and annual financial statements.
 - 6- The powers conferred by the Scheme for the marketing of its shares or stocks, or, when necessary, a representation agreement duly signed by the Manager and the Representative in Lebanon.

Article 3:

The Central Council of the Banque du Liban shall authorize the establishment of a mutual fund in Lebanon, if its management meets the following conditions:

- 1- The company managing the fund must be a Lebanese joint-stock company whose by-laws include the following:
 - a- The company must be specialized in the management of mutual funds, and may not undertake any trading or industrial activity, or any activity other than mutual fund management.
 - b- The total capital of the company should be no less than two billion Lebanese pounds, and must be fully paid in cash upon subscription to the Banque du Liban.¹
 - c- The total capital of the company must be in the form of nominal stocks.²
 - d- The prior authorization of the BDL Central Council is required for executing any assignment of company stocks if such an assignment results in the acquisition by a person, directly or indirectly, of more than 10% of total stocks. A prior authorization by the Central Council is also required for any amendment of the by-laws.

- 2- The by-laws of the Fund must include the following:
 - a- Special provisions on the establishment of a body representing the shareholders whose function would be watching over their interests. This body must have the authority to take appropriate decisions, particularly regarding the dismissal of the Fund manager pursuant to special regulations governing the procedures to be followed in this respect.
 - b- The need to expressly specify, in the agreements and documents of subscription to the Fund shares, that the company is empowered by subscribers to manage the Fund.
 - c- The issuing of the Fund shares in a nominal form, with their possible listing on an organized financial market.
 - d- The preparation of a prospectus of which the issuer is entirely responsible. This prospectus should specify clearly and expressly that the Banque du Liban has nothing to do with its content, and should describe the Fund in a comprehensive manner (its establishment, object, strategy, and management; the place where assets are safekept; the fees, commissions and expenses, including sale or redemption commissions, if any, to which the Management is entitled; the modality of share issuance, and the provisions governing their trading and pricing; the provisions governing borrowing by the Fund; the Fund fiscal year; the risks to which it may be exposed; the modality of distributing dividends and interests, and the mentioning of taxes, if any; the liquidation procedure and any other publishable information ensuring a maximum transparency regarding the Fund...). However, the said prospectus may not be distributed to concerned persons, or put

¹- The text of this paragraph was amended by Article 1 of Intermediate Decision 8684 of April 3, 2004 (Intermediate Circular 50).

²- The text of this paragraph was amended by Article 1 of Intermediate Decision 8942 of January 8, 2005 (Intermediate Circular 74).

at their disposal, before its communication to the Banque du Liban and before the latter authorizes the Fund establishment.

The Fund's managers should periodically update the content of the prospectus, reflecting changes in important data. They should also refrain from giving any information inconsistent with, or adding to, the information contained in the prospectus.

- e- To organize the required accounting, financial statements, and position statements according to the Forms and time limits specified in this Decision.
 - f- To put at the disposal of the Fund's shareholders the annual and quarterly reports approved by the auditors and showing clearly the financial position of the Fund, particularly the borrowing operations, the detailed profits and losses, administrative expenses, and paid or received interests.
 - g- To comply with all general and special directives issued by the Banque du Liban regarding the management and operations of the Fund.
- 3- The auditors verifying the Fund's operations must prepare the Fund's reports separately from the reports related to the business of the company in charge of managing the Fund or safekeeping its assets.
 - 4- To notify the Banque du Liban of the identity of the Custodian which will be entrusted with the safekeeping the Fund's assets and which must be a bank, a financial institution, or any other institution approved by the Banque du Liban.

Article 4:

The Central Council of the Banque du Liban authorizes the establishment, in Lebanon, of a foreign company branch whose purpose is to establish and manage mutual funds, if the following conditions are met:

- 1- The foreign company must be specialized in the management of mutual funds, and must be under the constant supervision of a governmental or professional body in its home country, or in the country where its main operations are carried out.
- 2- It must allocate for the operations of its branch in Lebanon a fully paid amount that should constantly be kept at no less than 2 billion Lebanese Pounds¹.
- 3- It should undertake in writing to abide by any or all the obligations stipulated in Paragraphs 2, 3 and 4 of Article 3 of this Decision, in accordance with the requirements of the Central Council of the Banque du Liban.

Article 5:

The Central Council of the Banque du Liban authorizes the establishment of a closed-end or open-end investment company in Lebanon, if the following conditions are met:

- 1- The company to be established must be a joint-stock Lebanese company, whose by-laws include the following:
 - a- The exclusive and sole object of the company must be to invest its funds and make its stockholders benefit from its asset management.

¹- The text of this paragraph was amended by Article 2 of Intermediate Decision 8684 of April 3, 2004 (Intermediate Circular 50).

- b- The company must constantly have a paid-up capital of no less than ten billion Lebanese Pounds.
- c- The initial stockholders of an open-end company may not invoke any preferential right when new stocks are issued, or when existing stocks are redeemed.
- d- The stocks must be issued in a nominal form, with their possible listing on organized financial markets, in case of a closed-end company. In the case of an open-end company, the stock price must be published through the media once a month at least.
- e- The stocks of an open-end company may be directly or indirectly redeemed by the company itself within a specific time period from the offering date, as prescribed in its by-laws. In exceptional circumstances, the company may temporarily suspend such redemption, as prescribed in its by-laws.
- f- Abiding by the obligations stipulated in sub-paragraph (c) of Paragraph 1, sub-paragraphs (d), (e), (f) and (g) of Paragraph 2, and Paragraphs 3 and 4 of Article 3 of this Decision.

Article 6:

The Central Council of the Banque du Liban authorizes the establishment, in Lebanon, of the branch of a foreign collective investment company, if the following conditions are met:

- 1- The foreign company set to operate in Lebanon must be legally considered a collective investment company in the jurisdiction to which it belongs.
- 2- The foreign company must allocate for its branch's operations in Lebanon a fully paid amount that is constantly no less than ten billion Lebanese Pounds.
- 3- The foreign company's branch in Lebanon must abide by the obligations stipulated in sub-paragraphs (d), (e), (f) and (g) of Paragraph 2, and Paragraphs 3 and 4 of Article 3 of this Decision.

Article 7¹:

With due consideration to the provisions of this Decision:

- 1- Financial institutions registered at the Banque du Liban may establish or participate in the establishment and management of mutual funds, or participate in collective investment companies.
A financial institution managing a mutual fund must establish an independent administrative body whose task is to manage the Fund according to an internal control system consisting of rules that ensure proper compliance with existing legal and regulatory obligations.
- 2- With due consideration to the provisions of Article 153 of the Code of Money and Credit, banks may establish or participate in the establishment of specialized companies carrying out the operations stipulated in Paragraph (1) of this Article and meeting the conditions specified in Article 3 of this Decision.

¹- The text of this Article was amended by Article 3 of Intermediate Decision 8684 of April 3, 2004 (Intermediate Circular 50)

Contingent upon meeting all the following conditions, any of these banks may manage mutual funds or participate in collective investment companies:

- a- Having an equity capital of no less than ten billion Lebanese Pounds.
- b- Having established, for the management of mutual funds, or for its participation in collective investment companies, an independent administrative body which will function according to its by-laws and a specific chart organization.
- c- Obtaining a prior approval from the Banque du Liban for the management of mutual funds or the participation in collective investment companies.

Section II: Valuation of Collective Investment Schemes Assets, and Requested Financial Statements

Article 8:

In case the stocks or shares are not listed on organized financial markets, the managers of a collective investment scheme must evaluate the net asset value of the stock or the share of the Scheme, in the following manner:

- a- On a monthly basis at least if the Scheme is a closed-end company
- b- On a daily basis if the Scheme is an open-end company.

The above-mentioned evaluation should be available to investors for information.

Article 9:

The net asset value of the collective investment scheme's stock or share is evaluated according to the Scheme's holdings in securities and rights. If these assets are listed on an organized financial market, the valuation is made according to the latest published price. For unlisted securities and rights, or for those whose pricing is temporarily suspended on organized financial markets, the valuation is made according to the projected sale value estimated according to due diligence rules.

Article 10:

The managers of a collective investment scheme must:

- 1- Organize the Scheme's accounts according to the accounting system specified in attached Annex 1.
- 2- Provide the Financial Markets Department of the Banque du Liban and the Banking Control Commission with the following statements:

a - On a monthly basis, and within a week from the end of each month:

A financial statement showing the price movements of the Scheme's stocks or shares, as indicated in attached Annex 2.

b - On a semi-annual basis, before the end of February and August:

- A statement on the distribution ratios of the Scheme's stocks or shares, as indicated in attached Annex 3.
- A statement on the distribution ratios of the Scheme's net assets, as indicated in attached Annex 4.

3- Provide, before the end of June, the Financial Markets Department and the Legal Department of the Banque du Liban with two copies of the following reports and statements, and the Banking Control Commission with one copy of each:

- The audited annual financial statements (balance sheet and income statement), to be prepared as indicated in attached Annexes 5 and 6.
- The minutes of the stockholders' annual general assembly or those of the annual meeting of the shareholders' body.
- The annual report submitted by the Scheme's managers to the stockholders' annual general assembly or to the annual meeting of the shareholders' body.
- The special annual report prepared pursuant to the provisions of Article 158 of the Code of Commerce, submitted by the Board of directors to the stockholders' general assembly in the collective investment company.
- The general and special annual reports submitted by the auditors to the stockholders' general assembly or to the meeting of the shareholders' body.
- The annual report on the company entrusted with the Scheme's management, other than banks and financial institutions, if any, including details on its activities during the past year, in addition to the audited annual balance sheet and income statement.
- The annual bulletin issued by the head office of the foreign collective investment company having a branch in Lebanon.

Section III: Obligations of Collective Investment Schemes' Managers

Article 11:

The managers of a collective investment scheme must inform the Financial Markets Department of the Banque du Liban and the Banking Control Commission when the holding of a natural person, legal entity, or a single economic group exceeds 10% of the Fund total shares or 10% of the collective investment company total stocks.

For the purpose of implementing the provisions of this Article, the spouse and the dependent ascendants and descendants of a natural person are all considered a single natural person.

For the same purpose, the following entities are considered a single economic group:

- a- A group of companies in which a natural person holds the majority of voting rights, or of which a company (the parent company) exercises management and control authority over the others (subsidiary companies) that are, directly or indirectly, under the constant supervision of the parent company.

The supervision right derives from the fact that the natural person or the parent company holds a majority capital in the subsidiary companies or the majority of voting rights, or from the right to appoint more than half of the members of the Board of Directors or of the managers, pursuant to the provisions of Article 21 of Decree 4665 of December 26, 1981.

- b- A group of two companies or more not meeting the conditions stipulated in the previous paragraph but holding each 20% at least of the capital of the other company (companies).

Article 12:

The managers of a collective investment scheme must immediately report to the Financial Markets of the Banque du Liban and the Banking Control Commission in any of the following two cases:

- 1- If trading in the collective investment scheme's stocks or shares is suspended. In this case, the managers must also publish the suspension fact in the Bulletin of the Organized Financial Markets on which the Scheme is listed, and also in two wide-circulation, local newspapers.
- 2- If the market value of the collective investment scheme's stocks or shares falls by 25% or more of the market value at the start of the fiscal year.

Article 13:

The managers of a collective investment scheme are prohibited from:

- 1- Owning more than 15% of the securities issued by a single issuer, and investing more than 15% of the Fund's assets with a single issuer, except for Lebanese Treasury Bills and for bonds issued by major countries.
- 2- Mixing investments made for the Scheme's account with those of the company which has established the Fund or is entrusted with its management.
- 3- Borrowing for the purpose of investing the borrowed amount in the purchase of financial papers and instruments, including the repurchase of the open-end investment company's stocks, except under the following conditions:
 - a- Up to 10% of the estimated value of the mutual fund or collective investment company, if the financial papers and instruments to be purchased are not listed on an organized financial market.

- b- Up to 20% of the estimated value of the mutual fund or collective investment company, if the financial papers and instruments to be purchased are listed on an organized financial market.
- c¹- Any of the percentages specified in Sub-Paragraphs (a) and (b) of this Paragraph may be exceeded if a prior approval from the Central Council of the Banque du Liban is obtained upon a justified request.

Article 14:

The managers of a collective investment scheme may invest the Scheme's funds in any kind of shares, stocks or financial papers issued by the managing company, or invest them with any of the Scheme's shareholders or stockholders, or any natural person or legal entity having shared interests with the Scheme, if the following two conditions are met:

- 1- To obtain the approval of the Scheme shareholders' body or the Scheme stockholders' ordinary general assembly.
- 2- The intended investments with the above-mentioned parties must be made within the same conditions applied to similar investments.

Article 15:

When investing the Scheme's funds, the managers must take into account the following:

- 1- 65% at least of these investments must reflect the Scheme's declared investment policy, in terms of bond quality, geographic distribution, and risk ratio.
- 2- 85% of the total investments of the open-end company must be in liquidable financial instruments.

Section IV: Miscellaneous

Article 16:

The Custodian must:

- 1- Provide each of the Financial Markets Department of the Banque du Liban and the Banking Control Commission with the following:
 - The Control System it will adopt concerning the activities of the Scheme's managers (Annual Control Plan) and any amendment thereof.
 - A semi-annual report consisting of the following:
 - a- A list of assets deposited by the Scheme, with their quantity and detailed value.
 - b- A list of all the receivables due and uncollected by the Scheme.

¹- This Paragraph was added pursuant to Decision 7657 of September 8, 2000 (notified by Circular 1847 of the Old numbering system-)

- 2- Notify each of the Financial Markets Department of the Banque du Liban and the Banking Control Commission of any information or violations discovered in the course of its activities.

Article 17:

The managing company or the non-resident Custodian must provide each of the Financial Markets Department of the Banque du Liban and the Banking Control Commission with its annual bulletin and auditors' reports.

This information should be communicated before the end of June of the following year.

Article 18:

In addition to its prospectus, the collective investment scheme must put at the investors' disposal all the investment-related financial statements and reports it has issued. These documents should be available at the Scheme's offices, at those of the managing company, and at all the institutions that promote or market the Scheme's stocks or shares.

The Scheme must also publish its annual financial statements in two wide-circulation, local newspapers and in the Bulletin of the Organized Financial Markets on which the Scheme is listed, within a time limit not exceeding the date of submitting these statements to the Banque du Liban and the Banking Control Commission.

Article 19¹:

Those promoting and marketing foreign collective investment schemes, or offering or selling their stocks or shares in Lebanon, must put at the disposal of the concerned investors the Schemes' financial statements, in addition to the prospectus, at their offices and management head offices in Lebanon. They must also submit each month to the Banque du Liban, in conformity with attached Annex 8, a report on the volume of subscriptions to stocks or shares made during the month, in relation to the Scheme's marketing in Lebanon.

Article 20:

The auditors of collective investment schemes must prepare their reports as instructed by the Banking Control Commission, in accordance with audit international standards. These reports must include their opinions about the information provided by the Schemes' managers. They must also communicate to the Financial Markets Department of the Banque du Liban and the Banking Control Commission any information discovered in the course of their audit and deemed to be reported immediately.

¹- The text of this Article was amended by Article 2 of Intermediate Decision 8154 of June 13, 2002 (Intermediate Circular 21).

Article 21:

The auditors of collective investment schemes must, in clarifying audited financial statements, evaluate the Schemes' investment policies and relevant risks. They must also include in their reports a comprehensive risk evaluation, including risks related to interest rates, foreign exchange, and countries, and operations on stocks, bonds and their derivatives.

Article 22¹:

Foreign collective investment schemes having already obtained a permanent authorization must regularize their status according to the provisions of this Basic Decision within a three-month period from its issuing date².

Article 23³:

Any party who violates the provisions of this Decision shall be punishable by the administrative penalties stipulated in Article 1, Paragraph (b) of Law 520 of June 6, 1996.

Article 24⁴:

Decision 6601 of May 23, 1997 notified by Circular No 1531⁵ to banks, financial institutions and financial intermediation institutions of May 23, 1997, is repealed.

Article 25⁶:

This Decision shall be published in the Official Gazette and enter into force upon its issuance.

Beirut, September 5, 1998

The Governor of the Banque du Liban

Riad Toufic Salamé

¹- This Article was added by Article 4 of Intermediate Decision 8154 of June 13, 2002 (Intermediate Circular 21).

²- A 3-month time limit from the issuing date of the Intermediate Decision (June 13, 2002).

³- The number of this Article became 23 instead of 22 pursuant to Article 3 of Intermediate Decision 8154 of June 13, 2002 (Intermediate Circular 21).

⁴- The number of this Article became 24 instead of 23 pursuant to Article 3 of Intermediate Decision 8154 of June 13, 2002 (Intermediate Circular 21).

⁵- This number is from the old numbering system

⁶- The number of this Article became 25 instead of 24 pursuant to Article 3 of Intermediate Decision 8154 of June 13, 2002 (Intermediate Circular 21).

ANNEX 1
Attached to Basic Decision ¹ 7074 of September 5, 1998

Chart of Accounts
Collective Investment Schemes

Category 1 Shareholders' Equity Accounts	Category 2 Fixed Asset Accounts	Category 3 Bond Portfolio Accounts	Category 4 Accounts with third parties	Category 5 Financial Accounts	Category 6 Charge Accounts	Category 7 Revenue Accounts
<ul style="list-style-type: none"> - Capital - Capital at beginning of period - Issues and repurchases <ul style="list-style-type: none"> - Issues - Repurchases - Commissions <ul style="list-style-type: none"> - on subscriptions - on repurchases - redistribution of commissions - from subscription transactions - from repurchase transactions - Revaluation variance* - FOREX variance - bond transactions <ul style="list-style-type: none"> - purchase charges - sale charges - Surpluses and decreases in securities <ul style="list-style-type: none"> - surpluses* - decreases * - Performance guarantee receipts - Charges on confirmed or contingent forward transactions - Profits carried forward - Financial period results - Regularization accounts <ul style="list-style-type: none"> - Regularization of profits carried forward - Regularization of financial period revenues (under distribution) 	<ul style="list-style-type: none"> - Tangible fixed assets - Financial fixed assets - Fixed asset depreciation 	<ul style="list-style-type: none"> - Debt instruments, stocks and similar securities traded on organized markets* - Other traded financial instruments * (Treasury bills and bonds, certificates of deposit...) - Bonds of collective investment schemes (classified as listed or unlisted on organized markets) - Temporary purchase and sale of bonds* - Other financial assets * - Portfolio revaluation variance (classified by category of bond and transaction) - Revaluation variance on sales of redeemable bonds - Sales of securities - Securities borrowed then sold - Securities acquired in trust then sold - Securities acquired with a redemption right then sold - Forward sale securities 	<ul style="list-style-type: none"> - Creditor clients and related accounts - Subscriptions payable - Deferred payment purchases - Requested cash margins - Guarantee deposits - Borrowed bonds - Debtor clients and related accounts (classified by transaction category) - Staff members and related accounts - Social Security and other social institutions - Public sector and other public bodies - Stockholders and shareholders - Sundry debtors and creditors - Sundry debtors - Sundry creditors - Provisional accounts - Regularization accounts - Reversal of commitments on confirmed or contingent forward transactions - Pre-computed charges - Accounts for periodical distribution of charges 	<ul style="list-style-type: none"> - Banks and financial institutions - sight accounts - time accounts <ul style="list-style-type: none"> - time deposits - time loans - Forex forward transactions <ul style="list-style-type: none"> - forex forward purchases - forex forward sales - Stock market and other brokers - Other financial institutions - Current interests 	<ul style="list-style-type: none"> - Financial transactions charges* - Operating charges - Taxes and fees - Staff charges - Other current operating charges - Exceptional charges - Provisions for budgeted charges - Provisions for depreciation 	<ul style="list-style-type: none"> - Financial transactions revenues* - Other revenues - Regularization of financial period revenues - advances on dividends
*classified according to assets, and category of bond and bond transactions		*classified by category, with mention of current interest computation, where applicable.			*classified by transaction category	*classified by transaction category

¹- Initially expressed as “to the BDL Decision”.

Annex 2
to Basic Decision¹ 7074 of September 5, 1998

Name of the Collective Investment Scheme
 Legal form Fund/Company
 Managing company
 Custodian
 Auditors

**Monthly statement on financial data and the
 evolution of stock and share prices**

As of

(Values in thousands of LBP or in foreign currency units)

a) Financial Data	Amounts
1- Stock or share price at the end of the previous month	
2- Stock or share price at the end of the current month	
3- Scheme initial value	
4- Scheme market value at the end of the month	

b) Stock price evolution during the month	
Date	Stock Price
1-	
2-	
3-	
4-	
5-	
6-	
7-	
8-	
9-	
10-	
11-	
12-	
13-	
14-	
15-	
16-	
17-	
18-	
19-	
20-	
21-	
22-	
23-	
24-	
25-	
26-	
27-	
28-	
29-	
30-	
31-	

Signature of Managing Company

¹- Initially expressed as “to the BDL Decision”

Annex 3
to Basic Decision ¹ 7074 of September 5, 1998

Name of the Collective Investment Scheme
 Legal form Fund/Company
 Managing company
 Custodian
 Auditors

**Semiannual statement on stock and
 share distribution**

As of

(Values in thousands of LBP or in foreign currency units)

	Present period			Previous period		
	Residents	Non-residents	Total	Residents	Non-residents	Total
1- Number of stocks and shares at end of period - including those held by any natural person or legal entity, or any single economic group, and exceeding 10% of total stocks or shares of the Scheme.						
2- Total value of subscriptions - including subscriptions by any person, entity or group, and exceeding 10% of total stocks or shares of the Scheme.						
3- Total value of repurchased stocks or shares						
4- Distributed dividends or advances on dividends						
5- Sale value of the stock or share at end of period						

Signature of Managing Company

Signature of Auditors

¹- Appearing initially as "to the BDL Decision"

Annex 4 to Basic Decision ¹ 7074 of September 5, 1998

Name of the Collective Investment Scheme
 Legal form Fund/Company
 Managing Company
 Custodian
 Auditors

Semiannual Statement on net assets distribution

As of

(values in millions of LBP or in thousands of foreign currency unit)

Category	Amounts ²			Total per category/ Total assets ratio	Ratio at the end of the previous period
	Resident	Non-Resident	Total		
<u>1-Stocks and similar securities</u> - at banks and financial institutions including those traded on organized markets - in the non-financial private sector including those traded on organized markets <u>2- Debt instruments and similar securities</u> - at banks and financial institutions including those traded on organized markets - in the non-financial private sector including those traded on organized markets <u>3- Purchase and sale of bonds, temporarily or with a redemption right³ (+) or (-)</u> -Bonds borrowed, received in trust, or redeemable, and loans representing bonds loaned, given in trust, or redeemable. -debts representing bonds that are borrowed, in trust or redeemable <u>4-Revaluation variance of bond purchase and sale transactions, temporarily or with a redemption right (+) or (-)</u> <u>5-Sale of securities⁴</u> <u>6- Lebanese Treasury bills and bonds</u> <u>7-Treasury bonds issued by major countries</u> <u>8-Certificates of deposit</u> -purchased by the BDL -purchased by international issuing institutions -purchased by banks <u>9-Stocks or shares of Collective investment schemes including those traded on organized markets</u> <u>10-Other securities²</u> -Total of purchased portfolio including those with the Custodian -Total of sold portfolio including those with the Custodian <u>11-Other loans</u> <u>12-Other debts</u> <u>13-Transactions with other banks and financial institutions</u> -deposits and investments -debts resulting from the purchase of securities and financial instruments -other debts from banks and financial companies - receivable foreign currencies - payable foreign currencies <u>14-Miscellaneous</u> <u>15-Total net assets</u> <u>16-Instruments purchased with financing from banks or financial institutions</u> -listed on organized financial markets -unlisted on organized financial markets					

Signature of Managing Company

Signature of Auditors

¹ - Initially expressed as "to the BDL Decision"

² - Amounts are inserted according to their budgetary value (market value or contractual value), taking into account the revaluation variance (between value at the date of insertion in the balance and the real-time value), and the outstanding current interests, where applicable.

³ - Details, if any, must be attached to this statement.

⁴ - Acquired temporarily or with a redemption right, then sold, and forward sale securities

Annex 5
To Basic Decision ¹ 7074 of September 5, 1998

Name of the collective Investment Scheme
 Legal form of the Scheme Fund/Company
 Managing Company
 Custodian
 Auditors

Final Balance Sheet

As of

Assets	Last period			Previous period		
	LBP	For. Cur.	Total	LBP	For. Cur.	Total
1- <u>Net tangible fixed assets</u>						
2- <u>Portfolio of bonds- purchased</u>						
2-1 Treasury bonds issued by Lebanon or by major countries						
- bonds received						
- bonds receivable						
2-2 Stocks and similar securities traded on organized markets						
- stocks and securities received						
- stocks and securities receivable						
2-3 Debt instruments and similar securities traded on organized markets						
- debt instruments and securities received						
- debt instruments and securities receivable						
2-4 Certificates of deposit and similar securities traded on organized markets						
- certificates and securities received						
- certificates and securities receivable						
2-5 Stocks and shares of collective investment schemes traded on organized markets						
- stocks and shares received						
- stocks and shares receivable						
2-6 Purchase and sale of bonds, temporarily or with a redemption right ²						
- borrowed bonds						
- redeemable bonds						
- bonds taken in trust						
- loans representing redeemable bonds						
- loans representing borrowed bonds						
- loans representing bonds in trust						
2-7 Other securities						
- securities received						
- securities receivable						
3- <u>Debtor clients and other loans</u>						
<u>Cash funds</u>						
Total assets						

¹- Initially expressed as “to the BDL Decision”

²- Sub-items classified as received and receivable.

Annex 5 (continued)

Liabilities	Last period			LBP	For. Cur	Total
	LBP	For. Cur.	Total			
1- <u>Shareholders' equity</u> - capital - previous earnings carried forward ⁽¹⁾ - regularization account of earnings carried forward ⁽¹⁾ - earnings ⁽²⁾ - to be capitalized ⁽³⁾ - to be allocated ⁽⁴⁾ - to be distributed ⁽³⁾ Total of shareholders' equity						
2- <u>Portfolio of bonds- sold</u> 2-1 Sale of bonds, temporarily or with redemption right - debts representing borrowed bonds - debts representing bonds given in trust - debts representing bonds given with redemption right 2-2 Sale of securities ⁽⁶⁾ 3- <u>Creditor clients and other debts</u>						
Total liabilities						

Off Balance Sheet	Last cycle			Previous cycle		
1- Bonds payable						
2- Commitments on confirmed contracts in organized markets ⁽⁵⁾						
3- Commitments on contingent contracts in organized markets ⁽⁵⁾						
4- Commitments by mutual agreement ⁽⁵⁾						
5- Other commitments						

- (1) Directly included in the capital of capitalized schemes.
(2) Following the regularization of the financial period profits and the deduction of pre-distributed profits during the period, if any.
(3) Applicable only on capitalized schemes or on schemes with distributable revenues.
(4) According to the policy adopted by the Scheme.
(5) These transactions cannot be carried out before the approval of the Banque du Liban.
(6) Securities borrowed, received in trust or with a redemption right, then sold, and forward sale securities.

Signature of Managing Company

Signature of Auditors

Initially expressed as "to the BDL Decision"

* Subgroups classified as received and to be received.

Annex 6
To Basic Decision ¹ 7074 of September 5, 1998

Legal form of the Scheme Trust/Company
 Managing Company
 Depository
 Auditors

**Annual income statement
 and evolution of net assets**

As of

(in LBP million or in thousand of foreign currency unit)

a- Results account	Amounts	
	Last period	Previous period
1- <u>Financial transaction revenues</u> ²		
1.1 Revenues from debt instruments and similar securities		
1.2 Revenues from stocks and similar securities		
1.3 Rewards and settlement premiums		
1.4 Revenues from temporary purchase and sale of securities		
1.5 Revenues from Treasury bills and bonds, certificates of deposit, and similar securities		
1.6 Revenues from interest rate swaps		
1.7 Revenues from deposits		
1.8 Other financial revenues		
Total 1		
Including: the value of variations in accruing, non received interests		
2- <u>Financial transaction charges</u> ²		
2.1 Charges for temporary purchase and sale of securities		
2.2 Charges for interest rate swaps		
2.3 Debt charges		
2.4 Other financial charges		
Total 2		
Financial transaction earnings (1-2)		
3- <u>Other revenues</u>		
4- <u>Administrative charges</u>		
5- <u>Provisions for depreciation</u>		
Financial period net income (1-2+3-4-5)		
6- <u>Regularization of financial period income</u>		
7- <u>Prepayments</u>		
<u>Income (1-2+3-4-5±6-7)</u>		
-To be capitalized		
-To be allocated		
-To be distributed		

¹- Appearing initially as “to the BDL Decision”.

²- Taking into account, where applicable, current interests still undue.

b-Evolution of net assets	Amounts	
	Last period	Previous period
1- Net assets at beginning of financial period		
2- Subscriptions (including commissions received by the Scheme)		
3- Value of repurchased stocks and shares		
4- Value surplus on bonds		
5- Value decrease on bonds		
6- Realized value surplus on forward and conditional transactions		
7- Realized value decrease on forward and conditional transactions		
8- Forex variance + or (-)		
9- Bonds revaluation variance + or (-)		
10- Revaluation variance of positions opened for forward and conditional transactions + or (-)		
11- Revaluation variance of provisions built for a decline in the value of the Scheme's share in companies under liquidation + or (-)		
12- Previous period profits distribution		
13- Financial period net income before the regularization account + or (-)		
14- Prepayments during the period		
15- Other items ¹ + or (-)		
16- Net assets at end of financial period		

Signature of Managing Company

Signature of Auditors

¹- Details, if any, to be attached to this statement.

Abbreviated Form for Collective Investment Scheme (Annex 7) ¹

- 1- Scheme's name and identification number (SEDOL number...)
- 2- Nationality
- 3- Legal structure: (investment company, Trust, etc.)
- 4- Managing Company: its object and headquarters (possibility to delegate its responsibilities to another party)
- 5- Investment Manager (if any): its object and headquarters, and the date of its license.
- 6- Marketing Company (if any): its object and headquarters, and the date of its license.
- 7- Investment Consultant (if any): its object and headquarters.
- 8- Custodian: its object, headquarters, tasks, and the date of its license.
- 9- Auditing firm: its object and headquarters.
- 10- Legal form of the Scheme: individual fund, umbrella fund, etc.
- 11- Establishment date
- 12- Date of licensing by competent authorities in the country of origin
- 13- Overview of adopted investment policy (location, sector of investment, etc.)
- 14- Closing date of annual accounts
- 15- Special risk warning (if any)
- 16- All charges and fees due upon investing in the Scheme:
 - Membership fee
 - Early withdrawal fee
 - Annual fee
 - Additional fee for marketing in Lebanon (if any)
- 17- Currency of the Scheme
- 18- The representative or promoter in Lebanon
- 19- Marketing approach in Lebanon
- 20- Other remarks

¹- This Annex was added pursuant to Intermediate Decision 8154 of June 13, 2002 (Intermediate Circular 21).

(Annex 8) ¹
Monthly Statement on the Performance and Development of Stocks and Shares
and on the volume of subscriptions

As of

Name of the Collective Investment Scheme:

Legal form:

Name of affiliated fund:

Managing Company:

Custodian:

Auditors:

Cur- rency	Price				Performance			Subscription			Profits and Losses (semiannual)	
	Stock or share price at end of previous month	Stock or share price at end of current month	Initial value	Market value at end of month	Monthly Performance	Quarterly Performance	Year-to-date Performance	Subscription volume at initial marketing	Balance of subscription volume at end of month	Number of subscribers	Realized	Unrealized

Note: please send this annex on diskette.

The afore-mentioned information are requested only from Schemes and affiliated funds (if any), which are authorized to be marketed in Lebanon.

¹- This Annex was added pursuant to Intermediate Decision 8154 of June 13, 2002 (Intermediate Circular 21).