

BANQUE DU LIBAN

**Basic Circular No 138
Addressed to Banks and Financial Institutions**

Attached is a copy of Basic Decision No 12309 of 05 August 2016 on the Exchange of Tax Information covered by Banking Secrecy, in line with international standards.

Beirut, 05 August 2016

The Governor of Banque du Liban

Riad Toufic Salamé

Basic Decision No 12309

**Exchange of Tax Information covered by Banking Secrecy,
in line with international standards**

The Governor of Banque du Liban,

**Pursuant to the Code of Money and Credit, in particular Articles 70, 174, and 182 thereof,
Pursuant to the provisions of the Law No 44 of November 24, 2015 (Fighting Money
Laundering and Terrorism Financing), in particular Articles 1, 2, 4, 6, 9, and 10 thereof,
Pursuant to Basic Decision No 7818 of May 18, 2001, and its amendments (Regulations on
the Control of Financial and Banking Operations for Fighting Money Laundering and
Terrorist Financing), attached to Basic Circular No 83,**

**Pursuant to Law No 33 of October 16, 2008 (Authorizing the Government to adhere to the
United Nations Convention against Corruption), in particular Article 23 and Chapter IV
on International Cooperation (Articles 46 and 48) of this Convention,**

**Pursuant to Law No 32 of October 16, 2008 (Expanding the powers of the Special
Investigation Commission-SIC),**

**Pursuant to Basic Decision No 10965 of April 5, 2012 (the Relationship between banks and
financial institutions and their correspondents), attached to Basic Circular No 126,**

Pursuant to Law No 43 of November 24, 2015 (Exchange of Tax Information),

**While awaiting the ratification of the draft tax laws and agreements proposed by the
Ministry of Finance in line with the international recommendations issued by the Global
Forum on Transparency and Exchange of Information for Tax Purposes and by the
OECD,**

**In order to prevent any reputational risk that banks and financial institutions might be
exposed to,**

**With a view to preserve the highest national interest that requires to maintain the Lebanese
banking and financial relationship with correspondents, and**

Pursuant to the decision of BDL Central Council, taken in its meeting of 3 August 2016,

Decides the following:

Article 1:

As far as each is concerned, banks and financial institutions shall take at their own full responsibility the appropriate administrative and technical measures required to provide the Special Investigation Commission (SIC) with the information that the concerned foreign authorities request from the Lebanese Ministry of Finance regarding the accounts of residents in the requesting countries. Any such request of information shall take place within the tax information exchange framework, in compliance with the recommendations issued by the Global

Forum on Transparency and Exchange of Information for Tax Purposes and by the OECD, and according to the regulatory mechanism to be set for that purpose by the SIC in coordination with Banque du Liban.

Article 2:

This Decision shall come into force upon its issuance.

Article 3:

This Decision shall be published in the Official Gazette.

Beirut, 05 August 2016

The Governor of Banque du Liban

Riad Toufic Salamé