

BANQUE DU LIBAN

Basic Circular 147 Addressed to Banks

Attached is a copy of Basic Decision 13100 of 3 September 2019, relating to the Opening of Bank Accounts.

Beirut, 3 September 2019

The Governor of Banque du Liban

Riad Toufic Salamé

Basic Decision No 13100

Opening of Bank Accounts

The Governor of Banque du Liban,

Pursuant to the Code of Money and Credit, particularly Articles 70, 71, and 174 thereof;

Pursuant to the Letter of the Ministry of Finance No 2208/P.1 of 14 August 2019; and

Pursuant to the powers vested in the Governor to ensure the smooth running of Banque du Liban, based on the principle of the continued functioning of public utilities,

Decides the following:

Article 1:

Banks are required, when they open a bank account for a natural or a legal person residing in Lebanon in order to ensure the running of the latter's commercial, professional, or service businesses and activities, to obtain from that person a copy of the registration certificate at the Ministry of Finance.

Article 2:

Banks must take the measures needed to update the files of the customers subject to Article 1 above, with respect to accounts opened prior to the issuance date of this Decision, so as to obtain from them a copy of their registration certificate at the Ministry of Finance.

Article 3:

Banks are granted a time-limit ending on 31 December 2020 to comply with the provisions of Article 2 of this Decision.

Article 4¹:

First: Banks operating in Lebanon must comply with the interest rate ceiling set for the deposits they receive or renew after 4 December 2019, as specified below:

- 5% on foreign-currency deposits (US Dollar or other foreign currencies).
- 8.5% on deposits in Lebanese pound.

Second: Deposits that banks operating in Lebanon have received before 5 December 2019 shall remain subject, until they reach maturity, to the conditions previously agreed upon between the concerned bank and its customers.

Interests on foreign-currency deposits (US Dollar or other foreign currencies) shall be paid as follows:

- 50% in the currency of the account.
- 50% in Lebanese pound.

Third²: Banks operating in Lebanon must comply with the interest rate ceiling set for the deposits they receive or renew after 13 February 2020, as specified below:

1- **For foreign currencies** (US Dollar or other foreign currencies):

- 2% on one-month deposits.
- 3% on six-month deposits.
- 4% on deposits for one year and above.

2- **For the Lebanese pound:**

- 5.5% on one-month deposits.
- 6.5% on six-month deposits.
- 7.5% on deposits for one year and above.

Fourth³: Banks operating in Lebanon must reflect the decrease in deposit rates, which resulted from the implementation of the provisions of this Article, in the calculation of the Beirut Reference Rate (BRR).

¹- This Article was added pursuant to Article 4 of Intermediate Decision 13157 of 4 December 2019 (Intermediate Circular 536) and shall remain in force for six months. **The enforcement of this Article was then extended till 30 June 2021**, pursuant to Intermediate Decision 13301 of 9 December 2020 (Intermediate Circular 578).

²- This Paragraph was added pursuant to Article 1 of Intermediate Decision 13195 of 13 February 2020 (Intermediate Circular 544) and shall remain in force for six months. The enforcement of this Paragraph was then extended till 31 December 2020, pursuant to Intermediate Decision 13230 of 1 June 2020 (Intermediate Circular 558).

³- This Paragraph was added pursuant to Article 1 of Intermediate Decision 13195 of 13 February 2020 (Intermediate Circular 544) and shall remain in force for six months. The enforcement of this Paragraph was then extended till 31 December 2020, pursuant to Intermediate Decision 13230 of 1 June 2020 (Intermediate Circular 558).

Article 4 bis¹:

Banks that receive deposits or transfers originating from donations in US dollar or any other foreign currency made by international institutions or donors, in order to be distributed to the concerned beneficiaries, must notify the Banking Control Commission of these amounts and of the exchange rate adopted if they are converted from foreign currencies into Lebanese pound.

Article 5²:

This Decision shall come into force upon its publication date.

Article 6³:

This Decision shall be published in the Official Gazette.

Beirut, 3 September 2019

The Governor of Banque du Liban

Riad Toufic Salamé

¹- This Article was added pursuant to Intermediate Decision 13309 of 29 January 2021 (Intermediate Circular 579).
²- The numbering of this Article became “5” instead of “4” pursuant to Article 3 of Intermediate Decision 13157 of 4 December 2019 (Intermediate Circular 536).
³- The numbering of this Article became “6” instead of “5” pursuant to Article 3 of Intermediate Decision 13157 of 4 December 2019 (Intermediate Circular 536).