

BANQUE DU LIBAN

Basic Circular 157 Addressed to Banks

Attached is a copy of Basic Decision 13324 of 10 May 2021, relating to Exceptional Measures on Foreign-Currency Transactions.

Beirut, 10 May 2021

The Governor of Banque du Liban

Riad Toufic Salamé

Basic Decision 13324

Exceptional Measures on Foreign-Currency Transactions

The Governor of Banque du Liban,

Pursuant to the Code of Money and Credit, in particular Articles 70, 75, 83 (b), and 174 thereof;

Considering that the exceptional circumstances prevailing in the country have significantly impacted the exchange rate of foreign banknotes; and

Pursuant to the Decision of the Central Council of Banque du Liban, taken in its meeting of 28 April 2021,

Decides the following:

Article 1: Banks shall automatically participate in the Electronic Exchange Platform developed by Banque du Liban (hereafter “the Platform”), upon an invitation from the BDL Foreign Currencies Unit on an IP address allocated to each bank.

When executing the transactions mentioned in Article 2 below, banks must comply with the following:

- 1- To enter immediately in a clear and transparent manner, all the information required for each transaction, and to confirm it via the Platform-related Sayrafa application.

The required information shall include: the date and value of the transaction, the customer’s identity, category (natural person, legal person,...), name, telephone number, purpose of the transaction, a copy of an identification document or a copy of the registration documents in the Trade Register in case of a legal person, and any other subsequent information that might be requested on Sayrafa.

- 2- To obtain a document signed by the customer in which banking secrecy on the transaction executed for the latter’s benefit on the Platform, is lifted in favor of Banque du Liban and the Banking Control Commission of Lebanon.

Article 2: Banks may execute exchange transactions in cash, under the provisions of Law 347 of 6 August 2001, in order to secure the commercial and personal needs of their customers, regardless of their category, based on the market supply and demand, on condition that neither margins between the selling and buying prices nor unusual commissions of any kind are adopted, and which in all cases may not exceed 1% of the buying price, by:

- 1- Buying from their customers LBP-denominated banknotes against foreign currencies to be paid outside Lebanon or in fresh accounts in Lebanon, in a way that those customers may freely use these funds to benefit from all the banking services provided by the concerned bank, including outgoing transfers from Lebanon, cash withdrawals, and bank card services in Lebanon and abroad.
- 2- Buying foreign currencies in banknotes or from fresh accounts against Lebanese pounds, to be paid in banknotes or in the customer's account.

Article 3: Without prejudice to the applicable laws and to the regulatory and implementing texts in force, Banque du Liban may, within its capacities and if deemed necessary, intervene on the Platform to safeguard the exchange rate stability, provided that these transactions are recorded in special accounts within the "Exchange Rate Stabilization Fund".

Article 4: Banks must enter on the Platform, on a daily basis, the Fund opening and closing daily cash balances in Lebanese pound and foreign currencies, provided that the BDL Foreign Currencies Unit proceeds to the information reconciliation.

Article 5: Banks participating in the Platform may download the Sayrafa user guide for clarification or query on its operating process, or call 78-980 839 for more information.

Article 6: The Banking Control Commission of Lebanon must verify the soundness of the Platform trading related-information, monitor banks' compliance with the provisions of this Decision, and follow up any claim submitted by any aggrieved party in this regard.

Article 7: The violation of the provisions of this Decision shall expose the infringing bank to the administrative sanctions specified in the applicable laws and regulations.

Article 8: This Decision shall come into force upon its issuance.

Article 9: This Decision shall be published in the Official Gazette.

Beirut, 10 May 2020

The Governor of Banque du Liban

Riad Toufic Salamé