



BANQUE DU LIBAN

Basic Circular 159

Addressed to Banks and External Auditors

Attached is a copy of Basic Decision 13353 of 17 August 2021, relating to Exceptional Restrictions on some Operations carried out by Banks.

Beirut, 17 August 2021

The Governor of Banque du Liban

Riad Toufic Salamé



Basic Decision 13353

Exceptional Restrictions on some Operations carried out by Banks

The Governor of Banque du Liban,

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

In view of the exceptional circumstances prevailing in the country; and

Pursuant to the Decision of the Central Council of Banque du Liban, taken in its meeting of 3 August 2021,

Decides the following:

Article 1:

First: Banks operating in Lebanon are prohibited from calculating, above their value, any form of foreign-currency funds transferred from abroad and/or received in cash from their customers or to the latter's benefit.

Second: The provisions of Paragraph "First" above shall not include the amounts received in foreign currencies and used for the final and full settlement of a debt due by the customer, provided that the Banking Control Commission of Lebanon is notified of this settlement.

Article 2:

Banks operating in Lebanon are prohibited from:

- 1- Buying foreign currencies in the parallel market. However, they may buy, at market rate, foreign-currencies that are directly transferred from abroad to their customers, and solely for medium and long-term investment purposes, or to improve liquidity ratios, or to pay commitments abroad, provided that these operations are recorded on the Electronic Platform for Exchange Operations.
- 2- Buying and selling checks and bank accounts in foreign currencies for their own account, whether directly or indirectly.

- 3- ¹ Dealing with their customers in foreign currencies other than “fresh money”, except as follows:
- At the rate set by Banque du Liban for its operations with banks (currently at an average value of 1,507.5 Lebanese pound per USD).
 - At the rate set in Basic Decision 13221 of 21 April 2020 (Basic Circular 151) for the purpose of implementing its provisions.
 - At the rate set in Basic Decision 13335 of 8 June 2021 (Basic Circular 158) for the purpose of implementing its provisions.

Article 3:

Banks must communicate to the Banking Control Commission, by 15 September 2021, the total amount of each type of operations mentioned in Article 1, Paragraph “First”, and in Article 2, Paragraphs (1) and (2) above, and which they have carried out between 2019 and the issuance of this Decision.

Article 4:

This Decision shall come into force upon its issuance.

Article 5:

This Decision shall be published in the Official Gazette.

Beirut, 17 August 2021

The Governor of Banque du Liban

Riad Toufic Salamé

¹ This Paragraph was added pursuant to Intermediate Decision 13391 of 23 December 2021 (Intermediate Circular 608).