

BANQUE DU LIBAN

Basic Circular No 122 to Banks

Attached is a copy of Basic Decision No 10224 of August 13, 2009, on External Auditors' Appointment and Work¹.

Beirut, August 13, 2009

The Governor of the Banque du Liban

Riad Toufic Salamé

¹ This title was amended pursuant to Article 1 of Intermediate Decision No 12419 of January 7, 2017 (Intermediate Circular No 447).

Basic Decision No 10224

External Auditors' Appointment and Work¹

**The Governor of Banque du Liban,
Pursuant to the Code of Money and Credit, notably Articles 70 and 174 thereof; and
Pursuant to the Decision of the Central Council of the Banque du Liban, taken in its
meeting of August 12, 2009,**

Decides the following:

Article 1:

External auditors are appointed for a renewable, three-year period, provided that the principle of partner rotation is adopted by the audit firm, by changing the auditor in charge every five years.

Article 2:

Starting from fiscal year 2010, each bank operating in Lebanon must appoint two audit firms for auditing its accounts jointly and severally.

Article 3²:

The external auditors of banks operating in Lebanon are required to:

- 1- Comply with International Standards on Auditing (ISA), including ISA 700-701-705-706-720, that should be implemented as of the financial statements closed on December 31, 2016.
- 2- Adopt the Form specific to banks listed on financial markets and prepared in accordance with ISA 700-701-705-706-720, in order to issue their reports on all banks operating in Lebanon, whether or not listed, starting from the financial statements closed on December 31, 2016.”

Article 4³:

This Decision shall be effective upon its issuance.

¹ This title was amended pursuant to Article 1 of Intermediate Decision No 12419 of January 7, 2017 (Intermediate Circular No 447).

² This Article was added pursuant to Article 3 of Intermediate Decision No 12419 of January 7, 2017 (Intermediate Circular No 447).

³ The numbering of this Article, which was initially Article 3, was amended pursuant to Article 2 of Intermediate Decision No 12419 of January 7, 2017 (Intermediate Circular No 447).

Article 5¹

This Decision shall be published in the Official Gazette

Beirut, August 13, 2009

The Governor of the Banque du Liban

Riad Toufic Salamé

¹ The numbering of this Article, which was initially Article 4, was amended pursuant to Article 2 of Intermediate Decision No 12419 of January 7, 2017 (Intermediate Circular No 447).