

**BANQUE DU LIBAN**

**Intermediate Circular No 265**

**Addressed to Exchange Institutions**

Attached is a copy of Intermediate Decision No 10728 of May 21, 2011, amending Basic Decision No 6905 of February 21, 1998 (Financial Statements of Exchange Institutions) attached to Basic Circular No 1 addressed to exchange institutions.

Beirut, May 21, 2011

The Governor of Banque du Liban

Riad Toufic Salamé

**Intermediate Decision No 10728**

**Amending Basic Decision No 6905 of February 21, 1998**

**Relating to Financial Statements of Exchange Institutions**

**The Governor of Banque du Liban,**

**Pursuant to Law No 347 of August 6, 2001 regulating the Money Exchange Profession in Lebanon, particularly Article 13 thereof,**

**Pursuant to Basic Decision No 6905 of February 21, 1998 relating to the Financial Statements of Exchange Institutions, and**

**Pursuant to the Decision of the Central Council of Banque du Liban (BDL), taken in its meeting of May 18, 2011,**

**Decides the following:**

**Article 1:**

The text of Article 1 of Basic Decision No 6905 of February 21, 1998 is repealed and replaced with the following one:

«All exchange institutions operating in Lebanon and duly registered must provide the Banking Control Commission and the BDL Financial Markets Department with financial statements prepared according to the two attached Forms and submitted in the following manner:

- a monthly position for institutions that undertake cross-border transportation of cash and/or metal coins and bullion (“precious metals”), a quarterly position for institutions classified as Category “A”, and a half-yearly position for institutions classified as Category “B”. These positions must be prepared according to the attached Form (MD1) and submitted within twelve days from their closing date.
- A final annual balance sheet prepared according to Form (MD1) and an income statement prepared according to Form (MD2), both audited by the external auditor or a chartered accountant and submitted by the end of April of each year.

**Article 2:**

The text of Article 2 of Basic Decision No 6905 of February 21, 1998 is repealed and replaced with the following one:

“The financial statements mentioned in Article 1 of this Decision shall be sent on compact discs.”

**Article 3:**

Forms No 1, 2 and 3 attached to Basic Decision No 6905 of February 21, 1998 are cancelled.

**Article 4:**

This Decision shall come into force upon its issuance.

**Article 5:**

This Decision shall be published in the Official Gazette

Beirut, May, 21 2011

The Governor of Banque du Liban

Riad Toufic Salamé

**Banque du Liban**

**Form (MD1)**

Balance Sheet of Exchange Institutions							
As of .....							
Name of the Institution:							
No at Banque du Liban:							
Statement No 1- Assets				Amounts in thousands of Lebanese pounds			
Account Code			Accounts in Lebanese pounds		Foreign currencies' equivalent in Lebanese pounds		Total
			Residents	Non-residents	Residents	Non- residents	
50	*	Cash in vault : LBP					
		Foreign currencies					
501	*	Foreign-currency cash					
5011		In vault					
5012		In transit					
5013		In cross-border shipment					
502		Metals					
5021		In vault					
5022		In trust					
5023		Less cash collateral for the account					
505		Other assets					
51	*	Banque du Liban (issuing institution)					
52	*	Lebanese Treasury bills					
53	*	Commercial Banks					
531		Sight deposits					
532		Time deposits					
54		Specialized Banks					
541		Sight deposits					
542		Time deposits					
55	*	Financial institutions					
57		Parent company, sister and subsidiary banks & financial institutions					
59		Intermediate debtor accounts among customers					
31		Investment bonds					
38		Regularization debtor account					
21	*	Financial fixed assets					
22		Intangible fixed assets					
23		Tangible fixed assets					
27		Revaluation variance of fixed assets					
28	*	Depreciation of fixed assets					
281		(Less) accumulated depreciation of financial fixed assets					
282		(Less) accumulated depreciation of intangible fixed assets					
283		(Less) accumulated depreciation of tangible fixed assets					
<b>TOTAL ASSETS</b>							

Remark: negative numbers and those to be deducted must be presented in brackets.



**Banque du Liban**

**Form (MD1)**

Amounts in thousands of Lebanese pounds						
Statement No 3- Off balance sheet items		Accounts in Lebanese pounds		Foreign currencies' equivalent in Lebanese pounds		
Account Code	Contingent Liabilities	Residents	Non-residents	Residents	Non- residents	Total
821	Foreign currencies to be received against Lebanese pounds to be delivered					
822	Foreign currencies to be received against foreign currencies to be delivered					
825	Foreign currencies to be delivered against Lebanese pounds to be received					
826	Foreign currencies to be delivered against foreign currencies to be received					
	Metals to be received against foreign currencies					
	Metals to be delivered against foreign currencies					
	Financial instruments to be collected					
	Financial instruments in trust					
	<b>TOTAL</b>					

**Banque du Liban**

**Form (MD2)**

Income Statement						
For the year ending on ..... ..						
Name of the Institution:						
No at Banque du Liban:						
Statement No 4-		Amounts in thousands of Lebanese pounds				
Account Code		Accounts in Lebanese pounds	Foreign currencies' equivalent in Lebanese pounds	TOTAL		
	<b>Income</b>					
70	Interest income					
72	Profit on foreign exchange					
7221	Profits on foreign currencies					
7223	Profits on metals					
7225	Profits on other assets					
723	Commissions received					
77	Other income					
	<b>Total income</b>					
	<b>Charges</b>					
60	Interest charges					
62	Loss on foreign exchange					
6221	Loss on foreign currencies					
6223	Loss on metals					
6225	Loss on other assets					
623	Commissions paid					
	<b>Total charges</b>					
	<b>Operating profits (losses)</b>					
	Administrative and general charges:					
66	Staff expenses					
67	Other operating charges					
676	Other charges					
	Cycle result before tax provision					
69	Tax provision					
	<b>Net income (or loss) for the year</b>					