

BANQUE DU LIBAN

Basic Circular No 82

Addressed to Banks

Attached is a copy of Basic Decision No 7814 of May 11, 2001, together with a copy of the Implementation Regulations on Lebanese Banks Shares Issuing and Trading.

Beirut, May 11, 2001

The Governor of Banque du Liban

Riad Toufic Salamé

Old numbering 1910

BANQUE DU LIBAN

Basic Decision No 7814

Implementation Regulations on Lebanese Banks Shares Issuing and Trading

The Governor of Banque du Liban,

Pursuant to Law No 308 of April 3, 2001 (Issuing and Trading of Lebanese Banks Shares, and Issuing of Bonds and Acquisition of Real Estate by Banks), notably Article 13 thereof,

After coordination with Midclear S.A.L.; and

Pursuant to the Decision of the Central Council of Banque du Liban, taken in its meeting of May 9, 2001,

Decides the following:

Article 1:

The Implementation Regulations on Lebanese banks shares issuing and trading, attached to this Decision, shall hereby become effective.

Article 2:

The following regulatory texts issued by Banque du Liban shall be repealed¹:

- Decision No 6117 of March 8, 1996, attached to Circular No 1410 of March 8, 1996, addressed to banks, financial institutions and exchange institutions.
- Decision No 6219 of July 4, 1996, attached to Circular No 1448 of July 4, 1996, addressed to banks and external auditors.
- Decision No 6732 of September 18, 1997, attached to Circular No 1560 of September 18, 1997, addressed to banks and financial institutions.
- Decision No 7225 of February 11, 1999, attached to Circular No 1702 of February 11, 1999, addressed to banks.

¹- Circulars numbers are according to the old numbering.

Article 3:

This Decision and the attached Implementation Regulations shall come into force upon their issuance.

Article 4:

This Decision and the attached Implementation Regulations shall be published in the Official Gazette.

Beirut, May 11, 2001

The Governor of Banque du Liban

Riad Toufic Salamé

Implementation Regulations on Lebanese Banks Shares

Issuing and Trading

Article 1:

These Implementation Regulations are established pursuant to the provisions of Article 13 of Law No 308 of April 3, 2001 (the Issuing and Trading of Lebanese Banks Shares, and the Issuing of Bonds and Acquisition of Real Estate by Banks).

Section I: Common Shares

Article 2¹:

Each Lebanese bank is required to provide Midclear S.A.L. by January 30, 2002, on its own and full responsibility, with the following:

- 1- Two lists with the names of its shareholders and the number of their respective shares, all categories combined, the first dated April 6, 2001, and the second December 31, 2001. Both lists shall be prepared according to Form No 1 on a magnetic disk or any other electronic means accepted by Banque du Liban.
- 2- The documents substantiating the existence of any rights, restrictions or burdens (mortgage, seizure, usufruct...) on any of its shares.
- 3- Any change occurring in any of the lists mentioned in Paragraph 1 of this Article, between April 6, 2001 and the date of the effective submission of these lists, according to Form No 2 referred to in Article 3 below.

Article 3:

Whenever the shares of any Lebanese bank are subject to a change in ownership, or are encumbered by any rights, restrictions or burdens:

¹- This Article was amended pursuant to Intermediate Decision No 7991 of November 26, 2001 attached to Intermediate Circular No 4.

- 1- The concerned bank must, on its own and full responsibility, provide Midclear S.A.L. with the information below prepared according to Form No 2, on a magnetic disk or any other electronic means accepted by Banque du Liban, within 48 hours from the completion of the documents listed in Article 4 of these Regulations:
 - a- Any assignment of shares not listed in the regulated financial markets, which does not lead to the direct or indirect acquisition by the assignee of more than 5% of the bank's total shares or voting rights pertaining thereto, whichever bigger.
 - b- The names of the shares' heirs or legatees, the number of shares devolving to them through inheritance or will, and their apportionment among them.
- 2- The stakeholders must provide Midclear S.A.L. with all the documents substantiating the existence of any rights, restrictions or burdens on these shares.

Article 4:

The concerned bank shall verify, on its own and full responsibility, the fulfillment of all legal and regulatory conditions (shareholders' preemptive right, Board of Directors' approval...) regarding the assignment of shares mentioned in Article 3, Paragraph 1. It shall also check the accuracy of the information it communicates to Midclear S.A.L., after receiving from stakeholders the following documents to be retained by the bank:

- A copy of the deed of assignment of shares, dated and signed by both the assignor and the assignee, with their full addresses (P.O. box, phone number, fax / telex, e-mail address) and all the assignment terms, particularly the price.
- When the assignee is a natural person, a copy of his/her ID card (or passport) and an extract of his/her Family Civil Status Register.
- When the assignee is a company, a copy of its registration certificate at the Trade Register, and a list with the names of its shareholders and the percentage of their respective shareholding.
- When needed, a certified true copy of the enforceable certificate of inheritance or the enforceable will.
- ¹When the assignee is a company or a mutual fund, a duly certified copy of their respective by-laws or Articles of Association, stating explicitly that all their shares are in registered form, and are fully and continuously owned,

¹- This Paragraph was added pursuant to Article 2 of Intermediate Decision No 12194 of February 29, 2016 (Intermediate Circular No 411) whose Article 9 reads as follows:
"Banks and financial institutions whose situation is inconsistent with the provisions of Articles 1, 2 and 3 of this Decision, must adjust their situation within two years from its issuance date".

whether directly or indirectly, by natural persons or companies whose shares are in registered form.

Article 5:

In cases that require BDL prior approval, the concerned bank shall submit the request to the Governor's Secretariat in four copies, two of which being original, within 48 hours from the completion of the following documents to be attached to the request:

First: The deed of assignment of shares, dated and signed by both the assignor and the assignee, with all the terms of assignment, particularly the price, and with an explicit clause indicating that the enforcement of the assignment is contingent upon BDL approval. The authenticity of signatures and the legal capacity of the signatories shall be certified by a notary public or by the concerned bank.

Second¹: In case the assignor is a company or a mutual fund:

- 1- A duly certified copy of the company's Articles of Association or by-laws, or of the fund's by-laws, or any other document designating the party empowered to sign the deed of assignment.
- 2- When needed, a copy of the decision approving the assignment, taken by the competent authority of the company or the fund, and a copy of the authorization to sign the deed of assignment.

Third: In case the subscriber or the assignee is a natural person:

- 1- An extract of his/her Police record, issued within the last three months.
- 2- A copy of his/her ID card (or passport) and an extract of his/her Family Civil Status Register.
- 3- A statement of information prepared within the last three months according to attached Form No 3, dated and signed by the concerned natural person, and including information on his/her social and financial status, his/her net worth (assets and liabilities), and an estimated value of his/her shareholdings, participations, and real estate properties.

¹- This Paragraph was amended pursuant to Article 1 of Intermediate Decision No 9893 of April 18, 2008 (Intermediate Circular No 161).

Fourth: In case the subscriber or the assignee is a company:

1- For all types of companies:

- a- A certificate of registration with the competent authorities.
- b- The financial statements, duly prepared and signed, for the last three fiscal years or for the period following the company's establishment if less than three years.
- c- When needed, a copy of the decision approving the subscription or assignment, taken by the company's competent authority, and a copy of the authorization granted to sign the deed of assignment.
- d- An extract of the Police record issued within the last three months, for the Board Chairman or the General Manager in a joint-stock company, or for the manager or the active partner in a partnership.
- e- A statement of information prepared within the last three months according to attached Form No 4, dated and signed by the competent authority, and showing in detail the estimated value of the company's real estate investments, shareholdings, and participations.

2- For joint-stock companies, in addition to the documents indicated in Sub-paragraph 1 above:

- a- A duly certified copy of the company's by-laws, stating explicitly that all the shares are in registered form.
- b- A duly certified copy of the minutes of the meeting in which the current Board Chairman and members were elected.
- c- A list including the names of the shareholders and the number of their respective shares in the company.

3- For limited liability companies and partnerships, in addition to the documents indicated in Sub-paragraph 1 above:

- a- A duly certified copy of the company's Articles of Association.
- b- When needed, a duly certified copy of the minutes of the partners' meeting in which the manager was appointed.
- c- A list including the names of the partners and their stake in the company.

Fifth¹: In case the subscriber or the assignee is a mutual fund:

- 1- The by-laws of the fund, stating explicitly that all the shares are in registered form.
- 2- The document comprising the investment strategies.
- 3- The financial statements, duly prepared and signed, for the last three fiscal years, or the period following the mutual fund's establishment, if less than three years.
- 4- The document proving the appointment of the current custodian and manager of the fund.
- 5- When needed, a copy of the decision approving the subscription or the assignment, taken by the competent authority, and a copy of the authorization to sign the deed of assignment.
- 6- A list of the fund's shareholders and the number of their respective shares.
- 7- In case the fund is established abroad, a summary prospectus prepared pursuant to Annex No 7 attached to Basic Decision No 7074 of September 5, 1998.
- 8- In case the fund is established abroad, a duly certified copy of a recent statement by the control authorities in the country of origin, certifying that the fund is duly registered and under their permanent control.

Article 5 bis²:

First: Subscribing or assignee companies and mutual funds referred to in Article 5 of these Implementation Regulations, excluding banks and financial institutions, must include in their respective by-laws or Articles of Association (as the case may be), provisions requiring that³:

- 1- ¹Their shares or stocks must be fully and constantly owned by natural persons, or by banks or financial institutions or companies, provided the respective by-laws or Articles of Association of the said companies (as the case may be), include provisions stipulating that:

¹- This paragraph was added pursuant to Article 2 of Intermediate Decision No 9893 of April 18, 2008 (Intermediate Circular No 161).

²- This Article was added pursuant to Article 3 of Intermediate Decision No 9893 of April 18, 2008 (Intermediate Circular No 161).

³- The beginning of this Paragraph was amended pursuant to Article 1 of Intermediate Decision No 10641 of January 29, 2001 (Intermediate Circular No 244).

- Their shares must be fully and constantly owned by natural persons or banks or financial institutions.
 - They must comply with the provisions of Subparagraphs 2 and 3 of Paragraph “First” of this Article.
- 2- They must provide all the information required or to be required by Banque du Liban and the Banking Control Commission, concerning their balance sheet, and the shareholders and stockholders, including beneficial owners, who directly or indirectly own 5% (five percent) or more of the bank’s total common shares.
- 3- They must obtain a prior approval from BDL Central Council for:
- Any intended amendment to the by-laws or Articles of Association relating to the provisions of Paragraph “First” of this Article.
 - Any subscription to, and trading of, its shares and stocks, in the following cases:
 - a- If it leads directly or indirectly to the acquisition by the subscriber, the assignee, or any beneficial owner, of more than 5% (five percent) of the bank’s common shares.
 - b- If the subscriber, the assignee, or any beneficial owner, owns directly or indirectly, at the time of the assignment, 5% (five percent) or more of the bank’s total common shares.
 - c- If the assignor, the assignee, or any beneficial owner, is a current or elected Board member, manager or active partner in the company, or a current or elected manager in the mutual fund, regardless of the number of assigned shares/stocks.

More specifically, the shareholding/participation of the spouse, minor children, and any economic group, as defined in the regulations issued by BDL, shall be computed as part of the percentages mentioned in Subparagraphs (a) and (b) above.

¹- This sub-paragraph was amended pursuant to Article 1 of Intermediate Decision No 10641 of January 29, 2001 (Intermediate Circular No 244).

Under this Article, the transfer of shares/stocks through inheritance or will shall not be considered as an assignment.

The reducible or non-reducible subscription by shareholders to any increase of the company's capital shall not be subject to the BDL Central Council's approval mentioned in Subparagraph 3 of Paragraph "First" of this Article, when the latter exercise their preemptive right in such an increase.

Second: The subscribing or assignee Lebanese holding companies mentioned in Article 5 of these Regulations shall be exempted from the implementation of the provisions of Subparagraph 1 of Paragraph "First" of this Article, provided their respective by-laws stipulate the following¹:

- 1- The objects of any such Lebanese holding companies shall be restricted to the following operations, as authorized by laws and regulations: to acquire the shares of banking and financial institutions, to participate in the management of these institutions, make deposits with them, guarantee them toward third parties, and grant them loans.
- 2- These holding companies and their shareholders shall not borrow from banking and financial institutions in which they directly or indirectly own shares, and shall not obtain from any such institutions or with their guarantee, any real or personal surety, or any waiver of rights, assets or liabilities.
- 3- They shall be supervised by Banque du Liban and the Banking Control Commission.
- 4- Their shares, as well as the shares and stocks of any company and mutual fund participating in their capital, shall be and remain in registered form.
- 5- They must obtain the approval of BDL Central Council for:

¹ - The beginning of this Paragraph was amended pursuant to Article 2 of Intermediate Decision No 10641 of January 29, 2001 (Intermediate Circular No 244).

- a- The amendment of their by-laws.
 - b- The subscription to, or trading of, their shares, or the shares or stocks of the companies and mutual funds participating in their capital, in the cases specified in Subparagraph 3 of Paragraph “First” of this Article, and in accordance with the principles stated therein.
- 6- They shall comply with the obligations stipulated in Subparagraph 2 of Paragraph “First” of this Article.
- 7- They shall comply with the provisions of the Banking Secrecy Law, notably concerning the information about the status and clients of banking and financial institutions operating in Lebanon and participating in their capital.

Any decision or measure taken by the concerned holding companies contrarily to the provisions of Paragraph “Second” of this Article, or any situation in which they are that is inconsistent with these provisions, shall be considered as null and void.

Third: ¹ Mutual funds and companies participating in the capital of Lebanese holding companies mentioned in Paragraph “Second” of this Article, with the exception of banks and financial institutions, must include in their respective by-laws or Articles of Association (as the case may be), the requirements imposed by virtue of Paragraph “Second”, Subparagraphs 2, 4, and 5 (Sub-subparagraph b).

Fourth: ¹ Mutual funds and companies participating in the capital of banks, with the exception of banks and financial institutions, must comply with the provisions of this Article, whenever they elect a member of the bank’s Board of Directors or whenever a change or measure leads to their acquisition of 5% (five percent) or more of the bank’s total common shares or voting rights pertaining thereto.

The shareholding/participation of any economic group, as defined in the

¹ - This Paragraph was added pursuant to Article 4 of Intermediate Decision No 10641 of January 29, 2001 (Intermediate Circular No 244).

regulations issued by Banque du Liban, shall be computed within the said 5% percentage.

Fifth: ¹The capital or the own funds of all Lebanese companies, including the subscribing or assignee Lebanese holding companies referred to in Article 5 of these Regulations, must be sufficient to pay the price of shares they intend to acquire.

Sixth: ² In case foreign companies and mutual funds fail to comply with the provisions of this Article, the issue shall be referred to the BDL Central Council for appropriate decision.

Article 6: Any Lebanese bank wishing to obtain the approval of BDL Central Council on the listing of its shares in the regulated financial markets and on the proportion of shares to be effectively traded, which should be no less than one-third of its total shares, must submit a request to the Governor's Secretariat in four copies, two of which being original, along with the following documents:

- 1- A copy of the attendance sheet and the minutes of the Extraordinary General Assembly that took the decision concerning the above-mentioned listing and proportion and specified the details thereof, including, where applicable, the trading system of shares not traded on the regulated financial markets, in case the by-laws of the concerned bank does not specify this system.
- 2- Any other documents required by Banque du Liban.

Article 7: Banks authorized to list all their shares in the regulated financial markets and to put up for trade a proportion of their shares on these markets must:

- a- Include in their by-laws an explicit text stating that no regulatory restrictions are imposed to the trading of their shares on regulated financial markets.

¹- This Paragraph was added pursuant to Article 4 of Intermediate Decision No 10641 of January 29, 2001 (Intermediate Circular No 244).

²- The numbering of this Paragraph, that was initially "Third", was amended pursuant to Article 3 of Intermediate Decision No 10641 of January 29, 2011 (Intermediate Circular No 244).

- b- ¹Distribute the said proportion of shares, according to each shareholder's stake, among all the shareholders of the bank or all the shareholders of the category to be traded on financial markets if it is limited to common or preferred shares.
- c- If this proportion of shares results from an increase in the bank capital, the subscription to new shares must be open to all the shareholders of the bank or to the assignees of subscription rights or to shareholders and non-shareholders, according to the allotment procedure approved by the Extraordinary General Assembly.
- d- ²Whenever the seller or buyer of the shares traded on the regulated financial markets is one of its employees, obtain from Banque du Liban a prior authorization in the following cases:
 - If the employee is in the "Senior Executive Management", as defined in the regulations issued by BDL.
 - If the assignment leads to the acquisition by the employee of more than 1% of the bank's total shares.
 - If the employee, whether as assignor or assignee, holds at the time of the assignment, 1% or more of the bank's total shares.The above-mentioned rules shall apply whenever the assignor or assignee is the spouse or one of ascendants or descendants of the persons specified in this Paragraph.
- e- Immediately notify the content of the authorization and the details of the operations mentioned in Paragraph (d) above to the supervisory authority of the regulated financial market where the bank shares are traded.

Article 8: The bank intending to purchase a portion of its shares that are effectively traded on the regulated financial markets must comply with the following procedures and rules:

- a- Submit to Banque du Liban a prior authorization request, which shall be granted at most for a one-year renewable period.

¹- This Paragraph was amended pursuant to Article 1 of Intermediate Decision No 8495 of September 20, 2003 (Intermediate Circular No 36).

²- This Paragraph was amended pursuant to Article 1 of Intermediate Decision No 9454 of November 9, 2006 (Intermediate Circular No 124).

- b- In addition to the stipulations of Paragraph 3 of Article 5 of Law No 308 of April 3, 2001, the concerned bank must show, whenever submitting any such request, positive net results over the last three fiscal years or during the period following its establishment, if less than three years.
- c- Provide a copy of the authorization, as soon as it obtains it, to the supervisory authority of the regulated financial market where its shares are traded, and publish the content and duration thereof in any media.
- d- Perform the operations relating to the prior authorization through the financial market where its shares are traded, in order to contribute solely to the stability of its share price and prevent any significant fluctuation therein.
- e- Publish quarterly financial statements prepared in accordance with international standards, as specified by the Banking Control Commission.
- f- ¹Inform Banque du Liban and the Banking Control Commission:
 - At the end of each month, of the details of all purchase and sale transactions (transaction dates, shares' quantity and price, the regulated financial markets where these operations are performed).
 - Immediately, if the acquisition by the bank of these shares and of shares- linked certificates of deposit is higher than 10% (ten percent) of its total shares, whether traded or not on the regulated financial markets.
- g- ²Comply with the International Financial Reporting Standards (IFRS), notably Standard 32 (particularly Paragraph 33) that prohibits the record in the income statement of any profits or losses resulting from the purchase, sale, issuance, or cancelling of shares, and stipulates their insertion under the cash free reserve account computed as part of the own funds.
- h- ³

¹- This Paragraph was amended pursuant to Article 1 of Intermediate Decision No 9523 of February 6, 2007 (Intermediate Circular No 129).

²- This Paragraph was amended pursuant to Article 2 of Intermediate Decision No 9523 of February 6, 2007 (Intermediate Circular No 129).

³- This Paragraph was repealed pursuant to Article 3 of Intermediate Decision No 9523, of February 6, 2007 (Intermediate Circular No 129).

Article 9:

- 1- Midclear S.A.L. must:
 - a- Record the assignments of shares, whether listed or not in the regulated financial markets.
 - b- Immediately notify the Governor of Banque du Liban of any assignment of shares that contravene the provisions of Paragraph 1 of Article 4 of Law No 308 of April 3, 2001, and the provisions of Articles 5 and 8 of these Regulations.

- 2- The Governor of Banque du Liban may freeze the trading of the shares mentioned in Subparagraph (b), Paragraph (1) of this Article, and the exercise of the voting rights pertaining thereto, through a decision that shall be notified to Midclear S.A.L. and shall request the latter to:
 - a- Sell by auction the shares that are not traded on the regulated financial markets, on behalf and at the responsibility of the assignee.
 - b- Immediately put up for bulk sale the shares traded on the regulated financial markets, at the market price. In case these shares are not entirely sold altogether, Midclear S.A.L. shall repeatedly put up the remaining shares for sale on the assignee's behalf and responsibility.

Article 10: The BDL Legal Department shall provide Midclear S.A.L. with the list of subscribers to the shares of any capital increase of a Lebanese bank, as soon as this increase occurs.

Section II: Preferred Shares

Article 11:

- 1- Any bank wishing to obtain the approval of BDL Central Council on the issuance of preferred shares, must submit a request to the

Governor's Secretariat in four copies, two of which being original, along with a copy of the attendance sheet and the minutes of the Extraordinary General Assembly of Shareholders that took the decision to constitute this category of shares, as well as any other document required by BDL.

2- Following the approval by BDL Central Council of the issuance of preferred shares, the concerned bank must:

- a- Provide BDL Legal Department with a duly certified copy of the attendance sheet and the minutes of the Extraordinary General Assembly referred to in Paragraph 1 of this Article.
- b- Provide Midclear S.A.L. with a list of the holders of preferred shares, indicating the number of their respective shares, along the rights and privileges pertaining thereto. This list shall be prepared according to Form No 5 on a magnetic disk or any other electronic means accepted by Banque du Liban.
- c- Notify Midclear S.A.L. of any assignment of preferred shares not listed in regulated financial markets, by way of a list prepared according to Form No 6 on a magnetic disk or any other electronic means accepted by Banque du Liban. The notification shall be made on the bank's own and full responsibility, within 48 hours from the finalization of the assignment-related documents.

3- The preferred shares to be listed in regulated financial markets shall be governed by the provisions of Article 6, and Paragraphs (a) and (b) of Article 7 of these Regulations.

4- All preferred shares shall be governed by the provisions of Article 4 of these Regulations.

Article 12:

Whenever preferred shares are listed in the regulated financial markets, the concerned bank must provide Midclear S.A.L. with a list of the holders of these shares, with the detailed

number of their respective tradable shares. This list shall be prepared according to Form No 7 on a magnetic disk or any other electronic means accepted by Banque du Liban.

Section III: Option Rights

Article 13:

1- In order to obtain the approval of BDL Central Council on the constitution of option rights, a request must be submitted to the Governor's Secretariat in four copies, two of which are original, along with the following documents:

- a- A copy of the attendance sheet and the minutes of the Extraordinary General Assembly of shareholders that has authorized the Board of Directors to grant option rights.
- b- A copy of the minutes of the Board of Directors that has determined the conditions for granting option rights, their maturity dates, the deadlines granted to exercise these rights, and the subscription price to shares.
- c- Any other documents required by Banque du Liban.

2- Following the decision of BDL Central Council approving the constitution of option rights, the concerned bank shall, on its own and full responsibility, provide Midclear S.A.L. with:

- a- A list of the persons who were granted the option rights, indicating the maturity dates of these rights, the deadlines given to exercise them, the subscription price to shares, and the number of shares that may be subscribed to on the basis of any such rights. This list shall be prepared in accordance with Form No 8, on a magnetic disk or any other electronic means accepted by Banque du Liban.
- b- Whenever option rights are exercised, the names of the persons who have acquired shares following the exercise of these rights,

as well as the number of shares acquired and the date of their acquisition.

- c- In case the holder of the option right deceases, the names of the heirs or legatees entitled to exercise this right, after receiving from stakeholders a certified true copy of the enforceable certificate of inheritance or the enforceable will.

Section IV: Miscellaneous Provisions

Article 14:

Lebanese banks must:

1- Obtain from Midclear S.A.L.:

- A magnetic disk that contains the Forms No 1, 2, 5, 6, 7, and 8 referred to in these Regulations.
- A specific code for each existing or new shareholder.
- A specific code for each common share, whether traded or not in the regulated financial markets.
- A specific code for each preferred share, whether traded or not in the regulated financial markets.
- A specific code for option rights.

2- Provide Midclear S.A.L. with detailed information about existing shareholders or any new shareholder, knowing that, in case of an assignment of shares, there will be no need to submit this information again, except in case of any modifications therein.

Article 15:

Banks are reminded of the provisions of Article 7 of Law No 308 of April 3, 2001 which read as follows:

“The BDL Central Council is entitled to object to:

- 1- Any assignment of shares of a Lebanese bank that may cause, directly or indirectly, any shareholder or economic group (as defined by BDL regulations), to lose effective control, even though relatively, over the management of the bank or over the voting rights.
- 2- The election of, or the continuation of the term of the Chairman or any member of the Board of a Lebanese bank.

The concerned bank and its shareholders shall be bound by the objections of Banque du Liban. To this effect, the Central Council shall have discretionary powers to be exercised with consideration to public interest.

Public interest shall be assessed on the basis of the physical and moral qualifications of the persons referred to in Article 7 of Law No 308 of April 3, 2001, notably the non-issuance of any criminal or civil judgment against any of them, in Lebanon or abroad, for common felony, theft, breach of trust, fraud, money laundering or bankruptcy¹.

Article 16²:

- 1- Banks' external auditors are required to verify compliance with the provisions of Law 308 of April 3, 2001 and with the provisions of these Regulations, notably Articles 3, 4, 5 bis, 7 and 8, Article 11 (Paragraphs 2, 3 and 4), and Article 13 (Paragraph 2). They are also required to immediately notify the Governor of Banque du Liban about any violation thereof.
- 2- The Banking Control Commission and Midclear S.A.L. shall verify, on site, the authenticity of the documents related to the assignment of shares, as well as the accuracy of submitted information, and shall immediately notify the Governor of Banque du Liban about any violation.
- 3- The Banking Control Commission shall verify the implementation of the provisions of Article 5 bis of these Regulations, as well as the accurate calculation of the percentages of shares, stocks and indirect subscriptions.

¹- This paragraph was added to Article 15 pursuant to Article 2 of Intermediate Decision No 8946 of January 8, 2005 (Intermediate Circular No 78).

²- This Article was amended pursuant to Article 4 of Intermediate Decision No 9893 of April 18, 2008 (Intermediate Circular 161).

Article 17¹:

Lebanese banks must amend their by-laws by April 6, 2002, in accordance with Articles 5 and 12 of Law No 308.

Article 18²:

Lebanese banks must request from companies and mutual funds governed by the provisions of Article 5 bis of these Regulations and whose status is inconsistent with these provisions, to regularize their situation and amend their by-laws or Articles of Association in conformity with this Article, by December 31, 2008.

¹- This Article was added pursuant to Intermediate Decision No 7991 of November 26, 2001 attached to Intermediate Circular No 4.

²- This Article was added pursuant to Article 5 of Intermediate Decision No 9893 of April 18, 2008 (Intermediate Circular No 161).

Form No 3

Statement of Information submitted by a natural person as subscriber or assignee, whenever the subscription or the assignment leads, whether directly or indirectly, to the acquisition by this person of more than 5% of the bank's total shares or voting rights pertaining thereto:

- Full name (as in the ID card):
- Place and date of birth:
- Nationality:
- Family status:
- Names of the spouse and minor children:
- Full address:
 - P.O.Box:
 - Phone number:
 - Telex/Fax:
 - E-mail:
- Current Occupation:
- Academic Qualifications and degrees:
 -
 -
 -
- Professional experience:

Date

Signature

Form No 3 (cont'd)

1- Assets in Lebanon and abroad:

Estimated Value

a- Real estate properties:

b- Shares:

Names of companies and shareholding percentage:

b- Movable assets (cash and other):

c- Other rights:

2- Liabilities:

Name

Date

Signature

Form No 4

Statement of Information submitted by a legal entity as subscriber or assignee, whenever the subscription or the assignment leads, whether directly or indirectly, to the acquisition by this entity of more than 5% of the bank's total shares or voting rights pertaining thereto:

- Corporate name and address (as in the Registration Certificate at the Trade Register):
- Full address:
 - P.O.Box:
 - Phone number:
 - Telex/Fax:
 - E-mail:
- Corporate Objects:
- Nationality:
- Legal Form:
- Capital:
- Duration:
- Date, place and registration number:
- Names of the Board Chairman and members (for joint-stock companies):
Or Managers' names (for limited-liability companies or partnerships):
- Shares in other companies:
Names of these companies and the percentage of its shareholding:
- Real estate investments:

Name and Capacity

Date:

Signature: