

BANQUE DU LIBAN

Intermediate Circular No 272

Addressed to Exchange Institutions

Attached is a copy of Intermediate Decision No 10787 of August 22, 2011, amending the Implementation Rules of the Law regulating the Money Exchange Profession, attached to Basic Decision No 7933 of September 27, 2001, notified by Basic Circular No 3 to exchange institutions

Beirut, August 22, 2011

The Governor of Banque du Liban

Riad Toufic Salamé

Intermediate Decision No 10787

Amending the Implementation Rules of the Law regulating the Money Exchange Profession, attached to Basic Decision No 7933 of September 27, 2001.

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 7933 of September 27, 2001 and its amendments, relating to the Implementation Rules of the Law regulating the Money Exchange Profession, and

Pursuant to the Decision of the Central Council of Banque du Liban, taken in its meeting of August 17, 2011,

Decides the following:

Article 1:

Sub-paragraph 8 of Paragraph (a) of Article 2 of the Implementation Rules of the Law regulating the Money Exchange Profession, attached to Basic Decision No 7933 of September 27, 2001, is repealed and replaced with the following text:

“8- Concerning exchange institutions established after May 18, 2011, a document proving that the partners in a general partnership, or the active partners in a limited partnership, or the Chairman and members of the Board of Directors and the Directors General in a joint-stock company, or the directors in a limited liability company, and any person who is effectively managing the concerned exchange institutions, whether directly or indirectly, have successfully completed the training sessions organized or prepared or approved by Banque du Liban, particularly in the AML/CFT field.

The obligation stipulated in this sub-paragraph shall apply to any change relating to the above-mentioned persons in any exchange institution, regardless of its establishment date.”

Article 2:

Sub-paragraph 6 of Paragraph (b) of Article 2 of the Implementation Rules of the Law regulating the Money Exchange Profession, attached to Basic Decision No 7933 of September 27, 2001, is repealed and replaced with the following text:

“6- Concerning exchange institutions established after May 18, 2011, a document proving that the institution’s owner and any person who is effectively managing it, whether directly or indirectly, have successfully completed the training sessions organized or prepared or approved by Banque du Liban, particularly in the AML/CFT field.

The obligation stipulated in this sub-paragraph shall apply to any change relating to the above-mentioned persons in any exchange institution, regardless of its establishment date.”

Article 3:

The following sub-paragraph shall be added at the end of Article 6 of the Implementation Rules of the Law regulating the Money Exchange Profession, attached to Basic Decision No 7933 of September 27, 2001, and shall read as follows:

“ A document proving compliance with the obligation stipulated in Sub-paragraph 8 of Paragraph (a) and Sub-paragraph 6 of Paragraph (b) of Article 2 of these Rules.”

Article 4:

Paragraph 5 shall be added to Article 7 of the Implementation Rules of the Law regulating the Money Exchange Profession, attached to Basic Decision No 7933 of September 27, 2001, and shall read as follows:

“5- A document proving compliance with the obligation stipulated in Sub-paragraph 8 of Paragraph (a) and Sub-paragraph 6 of Paragraph (b) of Article 2 of these Rules.”

Article 5:

The text of Article 9 of the Implementation Rules of the Law regulating the Money Exchange Profession, attached to Basic Decision No 7933 of September 27, 2001, is repealed and replaced with the following one:

“Exchange institutions are required to send promptly to the concerned bank a notification including:

- 1- Information about any check issued by the exchange institution and drawn on the concerned bank, or about any banking transaction performed through the said bank on behalf of the exchange institution’s customers,

- particularly whether or not the check-related transaction or the banking transaction was performed against an amount received in cash, in addition to information about the source and destination of funds, and the identity of both the beneficiary and the economic right owner, when the check or transaction exceeds USD 10,000 or its equivalent.
- 2- The information mentioned in Paragraph 1 of this Article, concerning any transfer performed through the bank in favor of third persons in Lebanon and resulting from an exchange operation or cross-border transportation of cash and/or precious metals, regardless of the amount being transferred.”.

Article 6:

The text of Article 12 of the Implementation Rules of the Law regulating the Money Exchange Profession, attached to Basic Decision No 7933 of September 27, 2001, is repealed and replaced with the following one:

“Exchange institutions are required, when receiving from a customer cash amounts and/or metal coins and bullion (hereafter “precious metals”) to be converted into other currencies and/or precious metals, or when undertaking cross-border transportation of cash and/or precious metals, to carry out these operations solely in one of the following manners:

- by delivering cash amounts and/or precious metals to the customer, according to the case
- by issuing a check in the customer’s name payable to the first beneficiary only
- by a transfer order to the concerned customer’s account in a bank operating in Lebanon or abroad, with no request to make a transfer to a third person except within Lebanon, and provided the obligation mentioned in Paragraph 2 of Article 9 of these Rules is fulfilled, regardless of the amount being transferred.”

Article 7:

This Decision shall come into force upon its issuance.

Article 8:

This Decision shall be published in the Official Gazette

Beirut, August 22, 2011

The Governor of Banque du Liban

Riad Toufic Salamé