

**BANQUE DU LIBAN**

**Intermediate Circular No 274**

**Addressed to Financial Institutions**

Attached is a copy of Intermediate Decision No 10789 of August 22, 2011, amending Basic Decision No 7136 of October 22, 1998 (Conditions for Establishing and Operating Financial Institutions) attached to Basic Circular No 2 addressed to financial institutions.

Beirut, August 22, 2011

The Governor of Banque du Liban

Riad Toufic Salamé

**Intermediate Decision No 10789**

**Amending Basic Decision No 7136 of October 22, 1998**

**On the Conditions for Establishing and Operating Financial Institutions**

**The Governor of Banque du Liban,**

**Pursuant to the Code of Money and Credit, particularly Articles 70 and 182 thereof,**

**Pursuant to Basic Decision No 7136 of October 22, 1998 and its amendments on the Conditions for Establishing and Operating Financial Institutions, 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:**

Article 7 bis of Basic Decision No 7136 of October 22, 1998 is repealed and replaced with the following one:

«All financial institutions are prohibited from:

- 1- Undertaking exchange operations, except when such operations are complementary or related to those performed, within the limits of their object, on behalf of their customers.
- 2- Undertaking cross-border transportation of cash, metal coins and bullion.
- 3- Receiving funds from their customers, unless through checks or transfers, including those received for the purpose of creating or covering all margins. They are, however, entitled to receive from a single customer cash amounts whose monthly total does not exceed the equivalent of US 10,000, as reimbursement of the advances granted by these institutions (including factoring operations). They are also entitled to perform, in a secondary manner, various services that do not include financial intermediation (property management, phone bills' domiciliation...).
- 4- Executing, at their customers' request in favour of third parties in Lebanon or abroad, foreign or domestic incoming transfers in excess of US 1,500.

**Article 2:**

This Decision shall come into force upon its issuance.

**Article 3:**

This Decision shall be published in the Official Gazette

Beirut, August 22, 2011

The Governor of Banque du Liban

Riad Toufic Salamé