

BANQUE DU LIBAN

Intermediate Circular No 277

Addressed to Banks and Financial Institutions

Attached is a copy of Intermediate Decision No 10792 of August 22, 2011, amending “the Regulations on the Control of Financial and Banking Operations for Fighting Money Laundering and Terrorism Financing”, attached to Basic Decision No 7818 of May 18, 2001, notified to banks and financial institutions by Basic Circular No 83.

Beirut, August 22, 2011

The Governor of Banque du Liban

Riad Toufic Salamé

Intermediate Decision No 10792

Amending the Regulations on the Control of Financial and Banking Operations for Fighting Money Laundering and Terrorism Financing, attached to Basic Decision No 7818 of May 18, 2001

The Governor of the Banque du Liban,

Pursuant to Law No 318 of April 20, 2001 on Fighting Money Laundering, particularly Article 5 thereof,

Pursuant to Basic Decision No 7818 of May 18, 2001 and its amendments relating to the Regulations on the Control of Financial and Banking Operations for Fighting Money Laundering and Terrorism Financing, and

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

Decides the following:

Article 1:

The texts of Paragraphs 2 and 3 of Article 7 of the Regulations on the Control of Financial and Banking Operations for Fighting Money Laundering and Terrorist Financing, attached to Basic Decision No 7818 of May 18, 2001, are repealed and replaced with the following text:

“2- The bank must:

First: when accepting a check drawn on it by an exchange institution, or when performing directly or indirectly a banking transaction requested by an exchange institution on behalf of one of its customers, take the following measures in case the value of the check or of the transaction exceeds USD 10,000 or its equivalent:

- a) Make sure that it has received the notification, stipulated in Paragraph 1 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, concerning the information requested about the check-related transaction or the banking transaction, 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 beneficial owner.

- b) Retain this notification for a five-year period.
- c) Obtain this notification directly from the concerned exchange institution if not yet received when the check is submitted, or when the banking transaction is requested.

Second: when requested to execute a transfer resulting from an exchange operation, or from a cross-border transportation of cash and/or precious metals to a third person in Lebanon, regardless of the amount being transferred:

- a) Make sure that it has received the notification, stipulated in Paragraph 2 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.
- b) Retain this notification for a five-year period.

3- Promptly inform the Banque du Liban when an exchange institution fails to send any of the notifications specified in Paragraph (2) above.”

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