



**Intermediate Circular No 371**

**Addressed to Banks and Financial Institutions**

Attached is a copy of Intermediate Decision No 11850 of September 11, 2014 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 by Basic Circular No 83.

Beirut, September 11, 2014

The Governor of Banque du Liban

Riad Toufic Salamé



### **Intermediate Decision No 11850**

#### **Amending the Regulations on the Control of Financial and Banking Operations for Fighting Money Laundering and Terrorism Financing**

**The Governor of Banque du Liban,  
Pursuant to the provisions of Law No 318 of April 20, 2001 (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 Banque du Liban, taken in its meeting of September 10, 2014,**

**Decides the following:**

#### **Article 1:**

The text of Paragraph 3 of Article 10 of 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for Fighting Money Laundering and Terrorism Financing“ attached to Basic Decision No 7818 of May 18, 2001, is repealed and replaced by the following text:

- 3- “Appoint, in each branch of the bank, an AML/CFT Branch Officer in charge of controlling the operations, and who is not the director of the branch. This Officer must hold a high position, have professional and academic expertise, with independent functions, and without performing any marketing activity or receiving any kind of incentives against this activity (bonuses, remunerations, grants ...).

The AML/CFT Branch Officer’s performance shall be directly evaluated by the Head of the Compliance Unit who will communicate the results of the evaluation to the Human Resources Department and to the AML/CFT Special Committee.

## **Article 2:**

A fourth paragraph shall be added to Article 10 of 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, and shall read as follows:

- 4- Establish, within the Compliance Unit, two Divisions at least. The first Division shall oversee the Head Office and the branches in Beirut, while the second Division shall oversee all other branches in Lebanon. Each Division shall ascertain that operations control standards are implemented by the Head Office and the branches, to ensure their compliance with AML/CFT regulations.

Whenever a bank is unable to establish the above-mentioned Divisions, it may submit to the Governor of Banque du Liban, within a time-limit ending on March 31, 2015, alternative proposals based on justified grounds that the Central Council shall consider so as to take the appropriate decision.

## **Article 3:**

The text of Paragraph 4 of Article 11 of 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, is repealed and replaced by the following text:

- 4- Regarding the AML/CFT Branch Officer:
  - a) To ascertain that the employees of the branch are complying with the procedure guide on the implementation of AML/CFT applicable laws and regulations, and that the KYC Form is properly filled.
  - b) To control cash operations, transfers, and any other account-related operations, in particular those carried out through ATMs, and all other operations carried out electronically (non face-to-face banking).
  - c) To spread awareness among the employees of the branch on the AML/CFT procedures.
  - d) To inform both the Head of Compliance Unit and the Head of the relevant Division within the Compliance Unit, of any unusual operations and of the branch’s compliance with the required procedures; and also to submit to them directly periodic reports, without going through the director or the management of the branch.

## **Article 4:**

Subparagraph (a) of Paragraph 8 of Article 11 of 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, is repealed.

**Article 5:**

A ninth paragraph shall be added to Article 11 of 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, and shall read as follows:

- 9- Regarding each of the Divisions established within the Compliance Unit, as mentioned in Paragraph 4 of Article 10 of this Decision:
- a) To ascertain that operations control standards are implemented by the Head Office and the branches under its supervision, to ensure their compliance with AML/CFT regulations.
  - b) To prepare a monthly report on the compliance of the Head Office and branches with AML/CFT requirements, and to keep this report with the Senior Management.

**Article 6:**

Banks are granted a time- limit ending on March 31, 2015, to comply with the provisions of this Decision.

**Article 7:**

This Decision shall come into force upon its issuance.

**Article 8:**

This Decision shall be published in the Official Gazette

Beirut, September 11, 2014

The Governor of Banque du Liban

Riad Toufic Salamé