



Intermediate Circular No 449

Addressed to Financial Institutions

Attached is a copy of Intermediate Decision No 12431 of January 20, 2017 amending Basic Decision No 7136 of October 22, 1998 (the Conditions for Establishing and Operating Financial Institutions), attached to Basic Circular No 2 addressed to financial institutions.

Beirut, January 20, 2017

The Governor of Banque du Liban

Riad Toufic Salamé



Intermediate Decision No 12431

Amending Basic Decision No 7136 of October 22, 1998 The Conditions for Establishing and Operating Financial Institutions

**The Governor of Banque du Liban,
Pursuant to the Code of Money and Credit, notably the provisions of 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 January 11, 2017,**

Decides the following:

Article 1:

The text of Paragraphs Third and Fourth of Article 4 of Basic Decision No 7136 of October 22, 1998, shall be repealed and replaced by the following:

Third: Any financial institution operating in Lebanon, established before January 25, 2012, and intending to open a branch after December 31, 2016, must comply with the conditions stipulated in Paragraphs First and Second above.

Fourth: Any Lebanese financial institution intending to open a branch abroad after December 31, 2016, must have a capital of no less than seven billion five hundred million Lebanese pounds, and must allocate to this branch the triple of the amount allocated to open a branch in Lebanon, in addition to the amount imposed by the concerned foreign authorities.”

Article 2:

The text of Article 7 of Basic Decision No 7136 of October 22, 1998, shall be repealed and replaced by the following:

“Financial institutions shall undertake lending operations essentially, as well as fiduciary operations, in accordance with the conditions specified in the relevant laws and regulations, along with any related complementary activities.”

Article 3:

The text of Article 12 of Basic Decision No 7136 of October 22, 1998, shall be repealed and replaced by the following:

“Financial institutions must constantly comply with the regulatory texts issued by Banque du Liban.”

Article 4:

The annex related to the requirements to comply with and complementing market maker and liquidity provider’s transactions, attached to Basic Decision No 7136 of October 22, 1998, shall be repealed.

Article 5:

This Decision shall come into force upon its issuance.

Article 6:

This Decision shall be published in the Official Gazette.

Beirut, January 20, 2017

The Governor of Banque du Liban

Riad Toufic Salamé