



Intermediate Circular No 454

Addressed to Banks and Financial Institutions

Attached is a copy of Intermediate Decision No 12490 of March 17, 2017 amending Basic Decision No 6116 of March 7, 1996 (Facilities that may be granted by Banque du Liban to Banks and Financial Institutions) attached to Basic Circular No 23.

Beirut, March 17, 2017

The Governor of Banque du Liban

Riad Toufic Salamé



Intermediate Decision No 12490

Amending Basic Decision No 6116 of March 7, 1996 (Facilities that may be granted by Banque du Liban to Banks and Financial Institutions)

**The Governor of Banque du Liban,
Pursuant to the Code of Money and Credit, notably the provisions of Articles 70, 79, and 174 thereof;
Pursuant to Basic Decision No 6116 of March 7, 1996 and its amendments, relating to Facilities that may be granted by Banque du Liban to Banks and Financial Institutions; and
Pursuant to the Decision of the Central Council of Banque du Liban, taken in its meeting of March 15, 2017,**

Decides the following:

Article 1:

The text of Subparagraph 9, Paragraph “First”, of Article 8 bis of Basic Decision No 6116 of March 7, 1996 is repealed and replaced with the following one:

- “9- Banks and Venture Capital Companies are prohibited from using or accepting to use, whether directly or indirectly, any funds deriving from the facilities granted under this Article:
- a- Abroad (Outside Lebanon), except for the expenses needed to cover the cost of necessary services and equipment that cannot be obtained locally to optimize the Startups-related project.
 - b- To grant any type of loans to the Startup companies in which they invest, apart from:
 - Bridge financing loans, in justified cases and for a maximum period of six months.
 - Convertible loans, provided these loans are interest-free and will mandatorily be converted into shares issued by the Startup company, within one year at most from their granting date.

The Central Council may, upon a justified request, agree to grant an exception to the provisions of this Subparagraph, particularly when the funds are used to market/promote and sell the Startups’ products and services outside Lebanon.”

Article 2:

The text of Clause 3, Subparagraph 10, Paragraph “First”, of Article 8 bis of Basic Decision No 6116 of March 7, 1996 is repealed and replaced with the following one:
“The holding company owns more than two thirds of the capital of each company in which it participates, and BDL approval is obtained prior to the assignment of any of these companies’ shares.”

Article 3:

This Decision shall come into force upon its issuance.

Article 4:

This Decision shall be published in the Official Gazette.

Beirut, March 17, 2017

The Governor of Banque du Liban

Riad Toufic Salamé