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BANQUE DU LIBAN

Basic Circular No 89 addressed to Banks

and also to Exchange Institutions ¹

Attached is a copy of Basic Decision No 8024 of January 11, 2002, relating to Cross-border transportation of cash and precious metals².

Beirut, January 11, 2002

The Governor of Banque du Liban

Riad Toufic Salamé

Old Number: 1912

¹- Initially addressed to banks, financial institutions, exchange institutions and financial intermediation institutions, has become addressed to banks and also to exchange institutions pursuant to Intermediate Decision No 10726 of May 21, 2011 (Intermediate Circular No 263).

²- The title was amended pursuant to Article 1 of Intermediate Decision No 10726 of May 21, 2011 (Intermediate Circular No 263), while it read initially: “information on foreign-currency cross-border transportation from and to Lebanon”.

BANQUE DU LIBAN**Basic Decision No 8024****Cross-border transportation of cash and precious metals¹**

The Governor of Banque du Liban,

Pursuant to the Code of Money and Credit, notably Article 70 thereof,

Pursuant to Law 347 of August 6, 2001, on Regulating the Money Exchange Profession in Lebanon, notably Articles 1 and 13 thereof, and

Pursuant to the Decision of the Central Council of Banque du Liban, taken in its meeting of January 9, 2002,

Decides the following:

Article 1²:

Exchange institutions that undertake cross-border transportation of cash and/or metal coins and bullion (hereafter “precious metals”) from and to Lebanon must comply with the following conditions simultaneously:

- 1- ³They must belong to Category A and the capital they allocate to the head office and branches must not be less than five billion Lebanese pounds.
- 2- They must appoint an external auditor selected among internationally renowned audit firms.
- 3- They must separate the accounting entries relating to cross-border transportation of cash and/or precious metals from the accounting entries of their other operations.
- 4- They must comply with the provisions of the Law on Fighting Money Laundering and with all other relevant regulations issued by Banque du Liban and the Special Investigation Commission (SIC), particularly the Regulations on the Control of Financial and Banking Operations for Fighting Money Laundering and Terrorist Financing (AML/CFT), where applicable.

¹-The title was amended pursuant to Article 1 of Intermediate Decision No 10726 of May 21, 2011 (Intermediate Circular No 263), while it read initially: “information on foreign-currency cross-border transportation from and to Lebanon”.

²- This Article was amended pursuant to Article 3 of Intermediate Decision No 10726 of May 21, 2011 (Intermediate Circular No 263).

³- This paragraph was amended pursuant to Article 1 of Intermediate Decision No 10878 of December 30, 2011 (Intermediate Circular No 288).

- 5- They must appoint a Compliance Officer or a Compliance Unit in order to control the institution's compliance with the laws in force and the regulations and recommendations issued by Banque du Liban, the Banking Control Commission and the SIC, particularly the Regulations on the Control of Financial and Banking Operations for Fighting Money Laundering and Terrorist Financing, where applicable.
- 6- The Compliance Officer or the Head of the Compliance Unit must attend, on a continuous basis, AML/CFT training sessions or obtain specialized AML/CFT certificates such as the CAMS-Certified Anti-Money Laundering Specialist- specified in Basic Decision No 9286 of March 9, 2006 attached to Basic Circular No 103.
- 7- They must appoint an Internal Audit Officer to perform internal audit on their operations.

The concerned institutions are granted a time limit ending on December 31, 2011 to comply with the provisions of paragraphs 2, 3, 5 and 7 of this Article, and another time limit ending on March 31, 2012 to comply with the provisions of paragraph 1 thereof.

Article 2¹:

Banks and exchange institutions that undertake cross-border transportation of cash and/or precious metals from and to Lebanon must provide the Banking Control Commission and the BDL Money Services Businesses Department, at the end of each month and for each currency and each metal, with the following:

- a- a monthly position prepared according to Form No 1 exhibiting clearly the total volume of cross-border transport operations of cash and/or precious metals, from and to Lebanon.
- b- a monthly position prepared according to Form No 2 exhibiting clearly the number of cross-border transport operations of cash and/or precious metals from and to Lebanon.
- c- a monthly position prepared according to Form No 3 exhibiting the total transportation volume of cash and/or precious metals inside Lebanon, computed on the basis of operations performed among these institutions, and between these institutions and the banks and institutions regulated by Banque du Liban and not undertaking cross-border transportation of cash and/or precious metals.
- d- a monthly position prepared according to Form No 4 exhibiting all transport operations inside Lebanon of cash and/or precious metals whose amount is equivalent to or in excess of US dollar 10,000.

¹- This Article was added pursuant Article 4 of Intermediate Decision No 10726 of May 21, 2011 (Intermediate Circular No 263).

Article 3¹:

Banks that do not undertake cross-border transportation of cash and/or precious metals from and to Lebanon must provide the Banking Control Commission and the BDL Money Services Businesses Department with a monthly position prepared according to Form No 3, exhibiting the transportation volume of cash and/or precious metals inside Lebanon, computed on the basis of operations performed among these banks, and between these banks and the institutions regulated by Banque du Liban and not undertaking cross-border transportation of cash and/or precious metals.

Article 4¹:

The monthly positions mentioned in Articles 2 and 3 above shall be sent on compact discs within ten days from the end of the reported month, whether or not cross-border transport operations of cash and/or precious metals from and to Lebanon or transport operations of cash and/or precious metals inside Lebanon have taken place.

Article 5²:

This Decision shall come into force upon its issuance.

Article 6³:

This Decision shall be published in the Official Gazette.

Beirut, January 11, 2002

The Governor of the Banque du Liban

Riad Toufic Salamé

¹- This Article was added pursuant Article 4 of Intermediate Decision No 10726 of May 21, 2011 (Intermediate Circular No 263).
²- The numbering of this Article has become 5 instead of 2, pursuant to Article 2 of Intermediate Decision No 10726 of May 21, 2011 (Intermediate Circular No 263).
³- The numbering of this Article has become 6 instead of 3, pursuant to Article 2 of Intermediate Decision No 10726 of May 21, 2011 (Intermediate Circular No 263).

Form No 1 attached to Basic Circular No 89¹

Bank/ Exchange Institution: _____
 BDL List Number: _____
 Month: _____
 Year: _____

Monthly Table on the Total Volume of Cross-Border Transport Operations of Cash or Metal Coins and Bullion from and to Lebanon

From Lebanon:

Country	Customer's name	Currency	Value in initial currency of cross-border transport operation	Amount estimated in US dollar	Type of metal coins or bullion	Value in US dollar of metal coins or bullion

To Lebanon:

Country	Customer's name	Currency	Value in initial currency of cross-border transport operation	Amount estimated in US dollar	Type of metal coins or bullion	Value in US dollar of metal coins or bullion

¹- This Form was added pursuant to Intermediate Decision No 10726 of May 21, 2011 (Intermediate Circular No 263).

Form No 2 attached to Basic Circular No 89¹

Bank/ Exchange Institution: _____
 BDL List Number: _____
 Month: _____
 Year: _____

Monthly Table on the Number of Cross-Border Transport Operations of Cash or Metal Coins and Bullion from and to Lebanon**From Lebanon:**

Date of cross-border transport operation	Country	Customer's name	Total value in US dollar of cross-border transport operation	Type of metal coins or bullion	Value in US dollar of metal coins or bullion	Insurance policy No of cross-border transport operation

To Lebanon:

Date of cross-border transport operation	Country	Customer's name	Total value in US dollar of cross-border transport operation	Type of metal coins or bullion	Value in US dollar of metal coins or bullion	Insurance policy No of cross-border transport operation

¹- This Form was added pursuant to Intermediate Decision No 10726 of May 21, 2011 (Intermediate Circular No 263).

Form No 3 attached to Basic Circular No 89¹

Bank/ Exchange Institution: _____
 BDL List Number: _____
 Month: _____
 Year: _____

Monthly Table on Total Transportation Volume inside Lebanon of Cash or Metal Coins and Bullion (delivered or received)

Delivered to:

Customer's name inside Lebanon	Currency	Amount in initial currency	Amount estimated in US dollar	Type of metal coins or bullion	Value in US dollar of metal coins or bullion

Received from:

Customer's name inside Lebanon	Currency	Amount in initial currency	Amount estimated in US dollar	Type of metal coins or bullion	Value in US dollar of metal coins or bullion

¹- This Form was added pursuant to Intermediate Decision No 10726 of May 21, 2011 (Intermediate Circular No 263).

Form No 4 attached to Basic Circular No 89¹

Bank/ Exchange Institution: _____
 BDL List Number: _____
 Month: _____
 Year: _____

Monthly Table on Transport Operations inside Lebanon of Cash or Metal Coins and Bullion equivalent or superior to USD 10, 000

Operation Date	Customer's name inside Lebanon (institution or individual)	Address	Nationality	Register No	Currency	Amount in initial currency	Amount estimated in US dollars	Type of metal coins or bullion	Value in US dollars of metal coins or bullion

¹- This Form was added pursuant to Intermediate Decision No 10726 of May 21, 2011 (Intermediate Circular No 263).