

Special Investigation Commission Circular 14

Addressed to External Auditors Appointed at Category “A” Exchange Institutions

Pursuant to Law 347 of August 6, 2001 on Regulating the Money Exchange Profession in Lebanon, and to Law 318 of April 20, 2001 on Fighting Money Laundering,
Pursuant to BDL Basic Decision No. 7933 of September 27, 2001 on Regulating the Money Exchange Profession,

Pursuant to BDL Basic Decision No. 9708 of September 24, 2007 on Cash Transfers in accordance with Hawala System, and

Pursuant to the SIC Decision taken in its meeting of May 26, 2011,

External auditors appointed at exchange institutions of Category “A” are required to prepare an annual report and to submit it to the SIC Secretariat by the end of March following the audited fiscal year, provided the report indicates whether or not these institutions have complied with the following obligations:

1. Checking the customers' identity and addresses based on formal documents.
2. Keeping special records for operations which value exceeds USD 10,000 or its equivalent.
3. Retaining, for five years at least, copies of formal documents (customers' identity and address) and copies of documents concerning the operations whose value exceeds USD 10,000 or its equivalent.
4. Sending to the bank a special notification (on the nature and object of the operation, the source and destination of funds, the beneficiary and the economic right owner's identity) when the exchange institution performs in favor of its customers any banking operation through the bank (transfer, check issuance...) whose value exceeds USD 10,000 or its equivalent.
5. Informing Banque du Liban beforehand and in writing that it will undertake cash transfers in accordance with Hawala System; and retaining, for five years at least, the records of these operations and copies of the formal documents related to the concerned customers.
6. Reporting to the SIC the details of the operations suspected of concealing money laundering or terrorism financing, in case they take place.

Beirut, May 27, 2011

The Governor of the Banque du Liban

Chairman of the Special Investigation Commission

Riad Toufic Salamé