

Special Investigation Commission Circular 20

**Addressed to Banks, Financial Institutions
and all other Reporting Entities**

Pursuant to the provisions of Law No 44 of November 24, 2015 (Fighting Money Laundering and Terrorism Financing), notably Articles 4, 5, 6, 7, and 13 thereof;

Pursuant to the provisions of Article 12, Paragraph "First", Subparagraph 3 of BDL Basic Decision No. 7818 of May 18, 2001 and its amendments, attached to Basic Circular No 83 (Regulations on the Control of Financial and Banking Operations for Fighting Money Laundering and Terrorism Financing); and

In order to clarify and implement the provisions of Article 1, Paragraph "Second" of BDL Basic Decision No. 12253 of May 3, 2016, attached to Basic Circular No. 137 (Dealing with the US Act of December 18, 2015 and with its implementation regulations to prevent Hizballah from gaining access to international financial and other institutions);

Whereas, with a view to prevent any arbitrary procedure or measure that may cause harm to depositors and clients' interests, particularly whenever closing the account of any depositor or client, or whenever refraining from opening an account in their names or from dealing with them, in an unjustified manner or under the pretext of de-risking;

Within the efforts made by Banque du Liban to foster financial inclusion;

In order to safeguard the utmost national interest; and

Pursuant to the Decision taken by the Special Investigation Commission (SIC) in its meeting of May 26, 2016,

The following is decided:

Article 1

FIRST:

Banks, financial institutions, financial intermediation institutions, and all other reporting entities are requested not to take any measure, in terms of closing any account held by any client, or refraining from dealing with or from opening any account to any such client, before the elapse of 30 days from filing a report with the SIC. This report must justify the reasons for taking these procedures and measures (KYC; the account movement or frequency or size;...)

SECOND:

If no reply is received from the SIC within the above-mentioned time limit, the concerned banks and institutions shall be entitled to take the relevant measures in this regard.

THIRD:

These procedures shall not apply in case of accounts held by persons or institutions designated in any of the lists issued with respect to the implementation of the above-mentioned US Act of December 18, 2015.

Article 2

Any party violating the provisions of this Circular shall be prosecuted before the Higher Banking Commission.

Article 3

This Circular shall be published in the Official Gazette and shall enter into force on May 3, 2016.

Beirut, May 26, 2016

The Governor of the Banque du Liban

Chairman of the Special Investigation Commission

Riad Toufic Salamé