

**BANQUE DU LIBAN**

**Basic Circular No 147 Addressed to Banks**

Attached is a copy of Basic Decision No 13100 of 3 September 2019, relating to the Opening of Bank Accounts.

Beirut, 3 September 2019

The Governor of Banque du Liban

Riad Toufic Salamé

**Basic Decision No 13100**

**Opening of Bank Accounts**

**The Governor of Banque du Liban,**

**Pursuant to the Code of Money and Credit, particularly Articles 70, 71, and 174 thereof;**

**Pursuant to the Letter of the Ministry of Finance No 2208/P.1 of 14 August 2019; and**

**Pursuant to the powers vested in the Governor to ensure the smooth running of Banque du Liban, based on the principle of the continued functioning of public utilities,**

**Decides the following:**

**Article 1:**

Banks are required, when they open a bank account for a natural or a legal person residing in Lebanon in order to ensure the running of the latter's commercial, professional, or service businesses and activities, to obtain from that person a copy of the registration certificate at the Ministry of Finance.

**Article 2:**

Banks must take the measures needed to update the files of the customers subject to Article 1 above, with respect to accounts opened prior to the issuance date of this Decision, so as to obtain from them a copy of their registration certificate at the Ministry of Finance.

**Article 3:**

Banks are granted a time-limit ending on 31 December 2020 to comply with the provisions of Article 2 of this Decision.

#### **Article 4<sup>1</sup>:**

**First:** Banks operating in Lebanon must comply with the interest rate ceiling set for the deposits they receive or renew after 4 December 2019, as specified below:

- 5% on foreign-currency deposits (US Dollar or other foreign currencies).
- 8.5% on deposits in Lebanese pound.

**Second:** Deposits that banks operating in Lebanon have received before 5 December 2019 shall remain subject, until they reach maturity, to the conditions previously agreed upon between the concerned bank and its customers.

Interests on foreign-currency deposits (US Dollar or other foreign currencies) shall be paid as follows:

- 50% in the currency of the account.
- 50% in Lebanese pound.

**Third<sup>2</sup>:** Banks operating in Lebanon must comply with the interest rate ceiling set for the deposits they receive or renew after 13 February 2020, as specified below:

1- **For foreign currencies** (US Dollar or other foreign currencies):

- 2% on one-month deposits.
- 3% on six-month deposits.
- 4% on deposits for one year and above.

2- **For the Lebanese pound:**

- 5.5% on one-month deposits.
- 6.5% on six-month deposits.
- 7.5% on deposits for one year and above.

**Fourth<sup>3</sup>:** Banks operating in Lebanon must reflect the decrease in deposit rates, which resulted from the implementation of the provisions of this Article, in the calculation of the Beirut Reference Rate (BRR).

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<sup>1</sup>- This Article, which shall remain in force for six months, was added pursuant to Article 4 of Intermediate Decision No 13157 of 4 December 2019 (Intermediate Circular No 536).

<sup>2</sup>- This Paragraph, which shall remain in force for six months, was added pursuant to Article 1 of Intermediate Decision No 13195 of 13 February 2020 (Intermediate Circular No 544).

<sup>3</sup>- This Paragraph, which shall remain in force for six months, was added pursuant to Article 1 of Intermediate Decision No 13195 of 13 February 2020 (Intermediate Circular No 544).

**Article 5<sup>1</sup>**: This Decision shall come into force upon its publication date.

**Article 6<sup>2</sup>**: This Decision shall be published in the Official Gazette.

Beirut, 3 September 2019

The Governor of Banque du Liban

Riad Toufic Salamé

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<sup>1</sup>- The numbering of this Article became “5” instead of “4” pursuant to Article 3 of Intermediate Decision No 13157 of 4 December 2019 (Intermediate Circular No 536).

<sup>2</sup>- The numbering of this Article became “6” instead of “5” pursuant to Article 3 of Intermediate Decision No 13157 of 4 December 2019 (Intermediate Circular No 536).