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Intermediate Decision Number 13157 concerning the Interest on term deposits

Issued on December 4, 2019

The governor of the Central Bank of Lebanon has decided on the following:

The central bank shall exceptionally start paying interest on term deposits, deposited with him from all operating Lebanese banks, with the interest amount being 50 percent in American dollars and 50 percent in Lebanese pounds.

In addition, this decision adds on the essential decision Number 7534 dated 2/3/2000 stating that the Central Bank shall exceptionally pay the interest on the certificates of deposit in American dollars that are issued from him and owned by the operating banks in Lebanon, with an interest of 50 percent paid in American dollars and 50 percent in Lebanese Pounds.

This decision has also amended Article 4 and Article 5 from the original decision Number 13100 dated 3/9/2019, in which the following has been added:

First, the operating banks in Lebanon shall abide by the maximum interest for the interest rate credited on the deposit that are done or renewed after the date of 4/12/2019, as shown below:

1- 5 percent shall be placed on the deposits in foreign currencies, whether in American dollars or any other foreign currency;
2- 7.5 percent on deposits in Lebanese Pounds

Second, all deposit conditions from operating banks in Lebanon prior to the date of 5/12/2019 are subject to the above and has been agreed on between the respective bank and its clients.

The interest that pay off the deposits with a foreign currency, American dollars or other, shall also be made by paying 50 percent with the currency of account and 50 percent in Lebanese Pounds.

This Decision shall be effective for a period of six month from its date of issuance, and the operating banks in Lebanon shall reflect the outcome reduction by enforcing this decision in accordance with the Beirut Reference Rate (BRR).