

**Intermediate Decision No. 13218
Issued on April 15 of 2020**

**Regarding amendments to basic
decision No. 13215 dated 3/4/2020
on the exceptional procedures for
cash withdrawals from small bank
accounts.**

Background information:

Lebanon has been faced with a major economic crisis with a humongous debt now equivalent to 170 percent of its GDP. The Lebanese pound which had remained stable at the rate of LBP 1, 507 in exchange for the dollar (through Central Bank subsidy), is now observed at more than LBP 4, 000 to the dollar and inflation is on the rise. Banks have been left with no choice but to impose paralyzing capital controls which have massively affected the living conditions of the Lebanese. The Banque du Liban has established new measures to find a common ground between the market rate and the rate traded by dealers in the country. Thus, The Governor of Central Bank of Lebanon has decided within the scope of exercise of his powers, to ensure that the operation of the central bank of Lebanon is based on the principle of sustenance of public utility.

Decision:

To that end an amendment was done to Article 2 of decision No. 13215 which was issued on April 4, 2020 stipulating:

In the event where a customer is requesting the total value of all his/her account payable which does not exceed the amount of LBP 5, 000, 000 Operating Lebanese banks shall:

- Exchange the customer's requested amount to dollars following the exchange rate set by the Central Bank of Lebanon;
- Exchange the amount in US dollars resulting from the disbursement process to Lebanese Pounds according to the market price on the date of the request to withdraw;
- The customer would then be able to pay the amount he/she has obtained through the exchange rate.

In the event where any customer in which his/her accounts, regardless of the type of account, has an amount which does not exceed 3, 000 dollars or equivalent in any other currency, he/she will be able to withdraw therefrom. The central bank of Lebanon shall ensure that the customer will be able to withdraw his/her money in Lebanese Pounds based on the market rate.

Intermediate Decision No. 13218 issued on April 15 of 2020 adds to the second article of the aforementioned decision that the Bank must ensure the following shall take place:

- The bank shall ensure that the total account balances of any customer at the bank, adding to it the accounts that the customer is linked to or benefiting from such as a joint account for instance, and the amount after deducting any debts owed by the customer to the bank, shall not exceed the sum of LBP 5, 000, 000 or \$3, 000 its equivalence in any foreign currency.
- In addition, the bank shall also ensure that the customer has paid the full value of facilities of the current account (over draft) that he/she had obtained from their bank. Consequently, ensure that the customer utilizes the remaining credit balance after deducting from the value of facilities.