SADER LEGAL
SINCE 1863

Decision No. 13260 for Banks and Financial Institutions in Lebanon on operations related to credit investment shareholding and participation

After consulting with the association of banks in Lebanon to preserve the public's interest in these current critical circumstances taking place in the country, the Central Bank of Lebanon has decided to amend Basic Decision No. 7776 on Credit, Employment, contribution and participation.

After consulting with the association of banks in Lebanon to preserve the public's interest in these current critical circumstances taking place in the country, the Central Bank of Lebanon has decided to amend Basic Decision No. 7776 on Credit, Employment, contribution and participation.

This decision adds to Article 3 bis in particular, which now includes that Banks and financial institutions operating in Lebanon must accept installments or payments due in foreign currencies resulting from all retail loans subject to this article, which would also involve personal loans, in Lebanese pounds based on the fixed rate provided by the Central Bank. The current rate is currently fixed at 1,507.5 Lebanese Pounds for the American dollar. However, this falls under the following conditions:

- The customer cannot be a non-resident according to the definition contained in the regulatory texts issued by the Central bank of Lebanon.
- In the event where the customer has a dollar's account in any Lebanese respective Bank which he/she can use to pay back a debt, he/she shall use the foreign currency to pay back the debt.
- The total housing loans granted to the client cannot exceed $800, 000 and other retail loans cannot exceed $100,000.

All other facilities and loans, especially commercial ones, remain subject to contract terms Loan or the facility contract signed between the bank or financial institution and the client in particular, obliging to pay in the specified currency.

Excluding retail loans which include persona loans and home loans, banks and financial institutions in Lebanon shall not accept the repayment of loans in a foreign currency for non-residents who have received the money from a new transfer from abroad.