

Announcement no 27

On the amendment of the Offer of Securities Regulation- Series 6000 issued by the CMA and the repeal of Decision no 13 dated 10/2/2014 (on Assets Securitization)

Pursuant to the Law No 161 dated 17/8/2011 on Capital Markets,

Pursuant to the decision of the Capital Markets Authority's Board No 9/1/2018 taken in its meeting held on 15/1/2018,

Pursuant to the announcement 22 of 20/6/2017 on the implementation of the implementing regulations and decisions issued by the CMA.

We inform you of the following:

First: Decision no 13 taken on February 10, 2014 was repealed after Part "E" on Asset Securitization was added to the Offer of Securities Regulation- Series 6000, and here below are the two articles thereof:

"6401- Establish an asset securitization fund including financial property.

The CMA Board shall base its approval of the establishment of an asset securitization fund including financial property, movable or immovable, on the fulfillment of the following conditions:

- 1- Submission of documents proving that at least twenty investors have already subscribed to the bonds to be issued by the "fund",
- 2- Submission of documents proving the identity of potential subscribers, including their resumes, and a detailed evaluation of their financial disclosure,
- 3- A statement of the legitimate investment purpose for establishing the "fund".

The above mentioned conditions do not apply to the securitization of intangible assets, rights arising from lease contracts, debts, debt securities, and loans.

6402- The Fund shall comply with the applicable laws and regulations.

In case the body establishing the Fund does not have compliance unit and/or an internal audit unit, the manager of the fund intended to be established for assets including financial or non-financial property, movable or immovable, shall ensure on his responsibility the compliance of the establishing party with the applicable laws and regulations, a task that is usually entrusted to the two above mentioned units".

Second: Part "F" on the enforcement of the provisions of this regulation was added to the Offer of Securities Regulation, with article 6501 stating the following:

"This regulation shall enter in force upon its publication in the Official Gazette, and the Authority may impose administrative sanctions on any party breaching the provisions of this regulation, corresponding to the sanctions provided for in the applicable laws and regulations".



Third: Paragraph (1,3) of Part B on the responsibility for the Prospectus mentioned in Annex 2 of the Offer of Securities Regulation, and related to the content of the Prospectus was amended so it now reads as follows:

“The prospectus that includes the statements in paragraphs (i) and (ii) of article must carry the signature and date of signature of each member of the governing body of the issuer, or the signature and date of signature of the person authorized to sign this Prospectus by virtue of the Board meeting minutes, or this Prospectus shall be accompanied with a statement issued by the officials at the Issuer and signed by each member of the governing body or the person authorized to sign this Prospectus by virtue of the Board meeting minutes”.

Fourth: Paragraph (3,5) of the section on “Directors and Management” in Part “F” regarding “Constitution and Organizational Structure” in Annex 2 of the Offer of Securities Regulation, and related to the content of the Prospectus was amended so it now reads as follows:

“Total remuneration and benefits paid to each category of persons for the last fiscal year, and any amounts set aside or accrued for pensions, retirement or similar benefits, according to the following table:

Category of key persons	Number of beneficiaries	Total remuneration	Total of amounts set aside or accrued for pensions, retirement or similar benefits
1- President and executive members of the Board, and the CEO (remuneration shall include the allowances for attending the Board’s meetings as well as the Committees’ meetings)			
2- The non- executive members of the Board (remuneration shall include the allowances for attending the Board’s meetings as well as the Committees’ meetings)			
3- Persons in charge of departments and units entrusted with executive functions.			
4- Persons in charge of departments and units entrusted with control functions (departments and units entrusted with independent control functions shall			



include: Risk Management, Internal Audit, Compliance, Financial Consumer protection, as well as any other department with a control function.			
5- People in charge of other departments (other departments shall include: Financial administration, Human Resources, Information Technology and other departments not mentioned in paragraphs (3) and (4) above.			

Fifth: Annex 3 of the Offer of Securities Regulation on the “Declaration by the Directors of the Issuer” was amended, so a sentence was added at the end thereof “...or by any person authorized to sign this declaration by virtue of the Board’s minutes:
Name:
Signature:
Date:”

Sixth: In the context of standardizing all the regulations and decisions issued by the Authority within an integrated series:
- Decision no 13 taken on February 10, 2014 was repealed (on assets securitization).
- The Offer of Securities Regulation- Series 6000 and its annexes were enclosed after being amended according to the five above paragraphs.

Seventh: This Announcement shall enter in force upon its publication in the Official Gazette.

Beirut, January 23, 2018
Chairman of the CMA/
Governor of Banque du Liban
Riad Toufic Salame