

## **Announcement No 29**

On the amendment of the Licensing and Registration Regulation in the Capital Markets-  
Series 2000

And the repeal of Decision no10 dated 9/1/2014 related to Financial Intermediation Business  
And decision no 7 dated 3/12/2013 on Licensing Documents, Annual Statements and  
Miscellaneous Provisions related to Financial Intermediation Institutions

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

Pursuant to the decision of the Capital Markets Authority's Board No10/1/2018 taken in its  
meeting held on 15/1/2018,

Pursuant to the decision of the Capital Markets Authority's Board No 12/2/2018 taken in its  
meeting held on 5/2/2018,

Pursuant to the Announcement no 22 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**First:** Decision no 10 taken on January 9, 2014 was repealed after:

- a- Paragraph 2 of Article 2 of the above mentioned decision was added to Article 2103  
of the Licensing and Registration Regulation on securities related activities, and here  
below is the text thereof:

“(2) In order to carry out their activities, financial intermediation institutions have the right  
to undertake other operations that are complementary to their main objective. They are  
however prohibited from undertaking:

- a- Exchange operations, except when such operations are complementary or related to  
those performed, within the limits of their objects, on behalf of their clients.  
b- Cross-border transportation of cash, metal coins, bullion and specie.  
c- Any commercial or industrial activity or any activity not related to financial  
intermediation.”

- b- Paragraphs (2) and (3) of Article 3 of the above mentioned decision were added to Article  
2204 of the Licensing and Registration Regulation on the shares of the financial  
intermediation institutions, and here below is the text thereof:

“(1)- The shares of the Lebanese financial intermediation institutions must all be nominal.

(2)- A prior authorization by the CMA is required to assign the shares in the capital of  
a financial intermediation institution in the following cases:

- If the assignment leads, directly or indirectly, to the acquisition by any person of more than  
10% (ten percent) of the financial intermediation institution's total shares.



- If the assigner or the assignee is one of the incumbent or elected members of the Board of Directors, notwithstanding the number of the shares assigned.
  - The transfer of shares by inheritance or by assignment between spouses or between ascendants and descendants is not considered as an assignment.
- c- Paragraphs 2, 3 and 4 of Article 5 of Decision no 10 were added to Article 2103 of the Licensing and Registration Regulation related to activities with regards to securities related business, and here below is the text thereof:
- “(3) Financial intermediation institutions operating in Lebanon must allocate, according to the business they conduct, out of their basic private funds:
    - (a) An amount equivalent to the minimum specified in the first paragraph of this article, and allocated to the headquarters.
    - (b) An amount equivalent to 30% of the required capital for each of the categories provided for in the above mentioned paragraph (1) of the present article.
  - (4) Any Lebanese financial intermediation institution intending to open a branch abroad must allocate to this branch the triple of the amount required for the opening of a branch in Lebanon, in addition to the amount imposed by the concerned foreign authorities.
  - (5) The whole capital, or the whole allocations or any subsequent increase must be paid up in full and in a single cash payment.”
- d- Article 16 of Decision 10 to Article 2206 of the Licensing and Registration Regulation related to the merit and aptitude of staff at the applicant or approved institution, and here below is the text thereof:
- “(e) The provisions of Article 127 of the Code of Money and Credit shall apply to all financial intermediation institutions.”

**Second:** The table attached to appendix 5 of the Licensing and Registration Regulation related to the examinations that the applicant should pass before the registration application is submitted, in particular with regards to the “Chair of the Compliance Department”, and “the Anti-Money Laundering Officer”, was amended by canceling the CAMS exam. Paragraph 7 of Article 2409 on exempting the ICA holder from the CAMS certificate was also canceled.

**Third:** Paragraph (1) of Article 2501 of the Licensing and Registration Regulation related to the enforcement of the provisions of the present article as to set the deadline for submitting the required certificates to 29/2/2020 was amended.

**Fourth:** In the context of standardizing all the regulations and decisions issued by the Authority within an integrated series:

- Decision no 10 taken on January 9, 2014 related to the Financial Intermediation business was repealed.
- Decision no 7 taken on December 3, 2013 related to the Registration Documents, Annual Statements and Miscellaneous Provisions related the Financial Intermediation Institutions.



- The Licensing and Registration Regulation in the Capital Markets Series 2000 was attached after introducing the amendments as set in the above mentioned paragraphs.

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

Beirut, February 20, 2018  
Chairman of the CMA/  
Governor of Banque du Liban  
Riad Toufic Salame