

Announcement no 30

Addressed to the licensed institutions and the public
And related to risks associated to Electronic Money

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 7/1/18 taken in its meeting held on 15/1/2018,
Pursuant to the decision of the Capital Markets Authority's Board No 6/2/18 taken in its meeting held on 5/2/2018,

We inform you of the following:

First: Approved institutions are prohibited from issuing Electronic Money, as well as from marketing and trading such Electronic Money for its own account or the account of their clients, whether directly or indirectly, including the money traded in the regulated Capital markets.

Second: In view of the risks resulting from trading virtual money, particularly the Bitcoins, and including:

- 1- The Platforms or Networks through which such money is issued or traded are not governed by any legislation or regulation whatsoever; in case of loss, there is no legal protection framework that provides for the recovery of the amounts spent to buy such money.
- 2- This money is neither issued nor guaranteed by any central bank, and its value is thus subject to sharp and fast volatility, and could even decrease to zero.
- 3- Transactions made using virtual money facilitate criminal activities, notably money laundering and terrorism financing.
- 4- Incorrect or Unauthorized transactions or transfers made using such money are irreversible.

For these reasons,

And pre-empting the serious risks and losses that could possibly stem from the use of electronic money,

The Capital Market Authority warns against the purchase, the acquisition and the use of such money.

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

Beirut, February 12, 2018
Chairman of the CMA/
Governor of Banque du Liban
Riad Toufic Salame