

Announcement no 39

On the amendment of the Market Conduct Regulation Series 4000

Pursuant to Law No. 161 dated 17/8/2011 on Financial Markets,
Based on the decision of the Board of the Capital Market Authority No. 20/6/18 taken in its meeting held on 21/5/2018,
Based on the decision of the Board of the Capital Market Authority No. 14/7/18 taken in its meeting held on 11/6/2018,

We inform you of the following:

First: Article 4412 has been added to Part E of the Market Conduct Regulation Series 4000, related to the Market Conduct of Approved Institutions, and here below is the text:

“(1) The Approved Institution shall settle the trading on:

- i- Lebanese Republic Eurobonds and all other types of bonds issued by any party in Lebanon in any foreign currency within a two working days period from the date of trading (T + 2).
- ii- Lebanese Republic bonds and all other types of bonds issued by any party in Lebanon in Lebanese Pounds within a maximum period of (T+2).

(2) If the settlement of the transaction was not done within the period specified in sub-section (i) of section (1) above, the settlement period shall be extended by five business days (T + 7).

(3) If the settlement did not occur in accordance with section (2) above, the Approved Institution shall take the measures stipulated for in the regulations of the International Capital Market Association (ICMA) with respect to the Lebanese Republic Eurobonds, and all other types of bonds issued by any party in Lebanon in any foreign currency.

(4) In case the Approved institution or the counterparty exceeded the extended settlement time – i.e. (T + 7) - for the settlement of transactions on Lebanese Republic Eurobonds and all other types of bonds issued by any party in Lebanon in any foreign currency, and for the maximum period (T + 2) to settle the transactions on the Lebanese Republic bonds and all other types of bonds issued by any party in Lebanon in Lebanese Pounds, the Approved institution shall inform the Financial Control Unit of the Capital Markets Authority, on the working day following the settlement date, with a report that includes the details of the transaction and the steps that have been taken or will be taken to reach a settlement of the transaction.”



Second: This announcement shall enter in force upon its publication in the Official Gazette.

Beirut, 20 June 2018
Chairman of the CMA/
Governor of Banque Du Liban

Riad Toufic Salame