

LAW NO. 28/67 OF 9 MAY 1967
Amending and completing the legislation relating
to banks and creating a mixed Institute
to Guarantee bank deposits.
(and its amendments)

The Chamber of Deputies has adopted, The President of the Republic promulgated the law worded as follows:

TITLE 1 : PROVISIONS RELATING TO THE CODE OF MONEY AND CREDIT

Article 1:

Are submitted to the prior licence of the Bank of Lebanon, in conformity with regulations which shall be established by the said Bank after consultation with the Bankers' Association of Lebanon, the opening by Lebanese banks of branches abroad, the opening in this country of new branches of Lebanese or foreign banks as well as the transfer of a branch from one site to another.

Article 2:

Is submitted to the prior licence of the Bank of Lebanon the opening of representation offices of foreign banks. Are submitted to the same licence representation offices of foreign banks now established, in the event when the represented bank operates a branch in Lebanon.

Article 3:

Any bank operating in Lebanon is required to publish in the Official Gazette, the balance sheet and the situation "outside balance" of every financial year, such as defined in article (146) of the Code of Money and Credit, according to a regulation form which shall be laid down by the Bank of Lebanon.

Dating from the beginning of the financial year 1967, the publication of the balance sheet or of the situation "outside balance" in a manner not conforming to the regulation Form is prohibited.

This article is enforceable on foreign banks' branches operating in Lebanon.

Lebanese banks with branches abroad are required to conform to the provisions of article (i 46) of the Code of Money and Credit in what concerns the said branches.

Article 4:

In article (100) of the Code of Money and Credit, the phrase "90 days" is replaced by "180 days".

Article 5:

The word "in Lebanese money" are struck off paragraph D of article (76) of the Code of Money and Credit.

Article 6: (as amended by the Law promulgated by Decree No. 38 of 23 February 1977):

Own funds of branches of foreign banks operating in Lebanon may be represented by disbursements for their initial installation, by their equipment, by their furniture, by their built properties in Lebanon, by the securities issued or guaranteed by the State, and by shares of Lebanese companies in which the State participates.

Real estate investments belonging to branches of foreign banks operating in Lebanon and designated in the preceding paragraph, shall be exempted from the authorisation stipulated in the draft-law made enforceable by virtue of Decree No. (1 1614) of 4/1/1969.

The provisions of the second paragraph of article (153) of the Code of Money and Credit shall apply to these investments.

Article 7:

In case of default in payment or of liquidation of a foreign bank's branch operating in Lebanon, or default in payment or liquidation of the head office, a privilege on the assets of the branch operating in Lebanon is established in favour of the creditors of the said in relation to all the foreign bank's creditors.

Such privilege does not apply on commitments of the branch operating in Lebanon in relation to the head office and to all the branches of the bank.

Article 8: (as amended by Decree-Law No. 42 of 5 August 1967 and Law No. 4/85 of 1 April 1985):

An independent Banks Control Commission is set up in the Bank of Lebanon. In the discharge of its duties this Commission is not submitted to the authority of the Bank of Lebanon. The control department provided by article (148) of the Code of Money and Credit is attached to this Commission.

The Commission is composed of five members appointed by decree passed by the Council of Ministers, on the proposal of the Minister of Finance:

- 1 - An expert in banking or financial matters, or a university professor specialised in these subjects, chairman.
- 2 - One member proposed by the Bankers' Association of Lebanon.
- 3 - One member proposed by the Guarantee Institute set up by virtue of the present law. This member shall be replaced by a representative of the Bank of Lebanon nominated by the Board of the Bank, until this Institute initiates its activities.

The members of this Commission are nominated for five years. They must have the experience and the ethical qualities required to discharge their duties.

The members of this Commission are required to dedicate themselves exclusively to their duties. They are barred from doing any other work.

The members take the oath before the President of the Republic to discharge their duties loyally and conscientiously, within the respect of law and honour. They are bound to banking secrecy imposed by article (I 51) of the Code of Money and Credit and established by the Law of 3 September 1956.¹

The Commission passes its resolution by majority vote.

The provisions of articles (19) and (20) of the Code of Money and Credit are enforceable on its members. Their indemnities shall be set by the Commission's special regulations.

The Bank of Lebanon shall bear all expenses relating to this Commission.

The Commission shall initiate its activities upon its nomination and shall lay down its working regulations and the statutes of its personnel, which must be approved by the Higher Bank Board provided under article (10) of the present law.

The Commissioner may ask for all the necessary information from the Central Bank.

The Governor of the Bank of Lebanon may likewise require the Commission to undertake a special auditing of the situation of a given bank.

In the absence of the Commission chairman, the senior of its (two) members shall replace him. In the event of equal seniority of age of the (two) members, it shall be the person with the longest record in banking practice. In the absence of one of the (two) members of the Commission, the absentee shall be replaced by one person designated by the Higher Bank Board and selected from among the managers of the Central Bank.

The chairman or the acting member shall exercise the prerogatives of the chairman or of the incumbent member.²

Article 9:

The Commission's mission is to verify, taking each bank separately, the regular enforcement of the banking regulations stipulated under Title 3 of the Code of Money and Credit, in conformity with the principles defined in articles (149) and (150) of the Code of money and credit.

¹ Please read Decree Law No. 4 of 5 August 1967 page No. 81

² Two paragraphs were added to the article No. 8 by Decree Law No. 42 of 5 August 1967 and mentioned members instead of two members after increasing the members to five members by Law No. 4185 of 1 April 1985.

The Commission shall carry out periodical auditing in all banks, without being held, if it should deem it necessary, to the provisions of paragraphs (1) and (2) of article (149) of the Code of Money and Credit.³

The Commission shall exercise its supervisory powers as granted to the Bank of Lebanon and to its Governor by virtue of the Code of Money and Credit, as well as such powers are granted by the present law.

The Commission is authorised to lay down for each bank a programme designed to improve its position and reduce its overheads, recommending its application to the bank

Article 10: (as amended by the Law promulgated by Decree No. 14013 of .16 March 1970):

A higher Bank Board is set up in the Bank of Lebanon and composed as follows:

- The Governor of the Bank of Lebanon, chairman.
- One of the sub-governors, selected by the Central Bank Board. - The Director General of Finance.
- A member of the Bench, with at least 1.0 year's practice, nominated by decree following the approval of the Higher Council of the Bench.
- The representative appointed on the Control Commission, on the proposal of the Bankers' Association of Lebanon.

The chairman of the National Institute for the Guarantee of Bank Deposits, set tip by virtue of the present law, shall join this Board, upon the formation of the said Institute.

This Board shall replace the penalty Commission referred to under article (209) of the Code of Money and Credit. It shall apply, if need be, the sanctions provided under article (20\$) of the said Code and exercise the prerogatives vested in it by virtue of the present law.

The Control Commission is bound to inform, in rotation order, the Governor of the Bank of Lebanon of the situation of banks individually and globally. Likewise, the Board may require the Commission any complementary information concerning the matters under its consideration.

The higher Bank Board meets on the summons of its chairman or on the request of two of its members. Its meeting are not legal unless at least four of its members attend.

The Board's resolutions are passed by a majority of at least three votes. In the event of a tie, the chairman's vote is overpowering.⁴

³ Please read article No. (182) of the Code of Money and Credit.

⁴ Paragraph (D) of article (208) of the Code of Money and Credit is replaced by the following wording

Article 11:

D - The nomination of a temporary manager or a supervisor.

TITLE 2 : PROVISIONS RELATING TO THE SETTING UP OF THE NATIONAL INSTITUTE FOR THE GUARANTEE OF DEPOSITS

Article 12: (as amended by the Law promulgated by Decree No. 14013 of 16 March 1970):

A mixed Institute for the guarantee of bank deposits is created, with State participation and the participation of all banks operating in Lebanon.

This Institute shall be known as "National Institute for the Guarantee of Deposits", with head office in Beirut. Its shares shall be registered and not negotiable.

Participation by any bank to the capital of this Institute is limited to a lump sum of 100,000 Lebanese pounds, half of which is payable into the Bank of Lebanon at the time of subscription, and the balance within a maximum time-limit of one year from the date of establishing the Institute.

These participation are considered as deductible charges within the framework of the income tax laws.

State participation to capital is set at an amount equivalent to that of all the banks.

The Institute operates in conformity with the provisions of the present law, its statute and such provisions of the Code of Commerce as are not in compatible.

Article 13:

A commission vested with founders' powers is formed by decree, in conformity with the provisions of the Code of Commerce. It comprises representatives from the Ministry of Finance, the Bank of Lebanon and the Bankers' Association as well as an insurance expert.

This Commissioner's mission is to lay down the Institute's statute which shall be approved by decree to be passed by the Council of Ministers, on condition that it contains a text setting the number of the members of the board of directors as follows: Four members elected by the banks' shareholders convened in a general Meeting, in conformity with the provisions of the Code of Commerce, without the participation of the representatives of the State shareholding in voting, and three other members nominated by the Government by decree passed on the proposal of the Minister of Finance.

A government commissioner to the Institute is appointed by decree for a renewable period of three years, on the proposal of the Minister of Finance. He must be selected out of civil servants of at least the second grade. His duties and powers are laid down by the Institute's internal regulations, which must provide for the commissioner the right to call

a new debate concerning resolutions. In such a case, the definitive resolution shall be passed by a majority of at least five votes. The government commissioner cannot oppose resolution concerning the election of the chairman and vice-chairman of the board of directors.

Article 14: (as amended by the Law promulgated by Decree No. 14013 of 16 March 1970, Law No. 48/86 of 24 December 1986, Law No. 15/88 of 20 April 1988, and Law No. 110 of 7 November 1991):

The object of this Institute is to guarantee deposit accounts in Lebanese currency, opened with banks operating in Lebanon, whatever the nature and term of such deposit.

This guarantee covers, up to 5 million Lebanese pounds of capital and interests, the total amount of accounts per depositor with any bank. The head office of the Bank, as well as its different branches is considered as a single institution.

These accounts shall yield no interests as from the day when the bank suspend its payments.

When a depositor has, with a bank that has suspended payments, debit accounts or other obligations towards that bank, in Lebanese or foreign currencies, a compensation shall be carried on the sum of the credit accounts and the sum of debit accounts and his other obligations.

The guarantee then applies only to the credit balance with the said bank up to a total of 5 million Lebanese pounds.

Joint accounts are considered as a single account whatever the number of deposition.

Inherited accounts are equally considered as a single account.

Excluded from this guarantee are the accounts held by banks' chairmen and members of the board of directors, managers and accounts commissioners as well as the wives, ascendants and descendants of the aforementioned persons in respect of the bank to which they are attached.

Article 15: (as amended by the Law promulgated by Decree No. 9735 of 21 February 1975):

Banks residing and operating in Lebanon shall be required to pay to the National Institute for the Guarantee of Deposits an annual premium not exceeding two per thousand over the first three years, and one and a half per thousand over subsequent years, of the whole of their creditor accounts of every description, maturity, or origin, and whatever amount, as at the date of 31 December of the preceding year.

Premiums exempted are the following

- Own fiends, of any sort.

- Cheques, payment orders, and mail facilities.
- Accounts existing between banks residing and operating in Lebanon.
- Banks settlement accounts.

Premium rates shall be assessed at the beginning of each year by decree emanating from the Council of Ministers, on the proposal of the Minister of Finance and following consultation with the National Institute for the Guarantee of Bank Deposits.

The National Institute for the Guarantee of Bank Deposits shall draw up, during the first quarter of the year, a statement of the amounts due by each of the banks residing and operating in Lebanon, in conformity with the aforementioned principles, based on the elements of accounts of these banks, through its representative with the Banks Control Commission.

The representative of the National Institute for the Guarantee of Bank Deposits with the Banks Control Commission shall notify the said institute of the elements of accounts mentioned in the preceding paragraph by means of tabulated statements whose form and elements shall be set forth by decree emanating from the Council of Ministers on the proposal of the Minister of Finance.

Dispute over the interpretation of the present article and the implementation of its provisions shall be referred to the Central board of the bank of Lebanon which shall settle them in a definitive manner.⁵

All legislative provisions inconsistent with the present law or contrary to its purport shall be abrogated.

Article 16:

Annually, the State pays the Guarantee Institute an amount equivalent to the total proceeds of the annual premium imposed on banks.

Article 17:

The Institute's funds shall be deposited with the Bank of Lebanon in a special interest-free account. The Institute shall be entitled to invest-free account. The Institute shall be entitled to invest part of its funds in Lebanese Treasury bills, in State-guaranteed securities, or in acquiring properties in Lebanon.

Article 18:

Should a bank default in payment, the Guarantee Institute refunds the amounts insured by virtue of the present law and serves as substitute to depositors in all their claims.

⁵ Please read decree No. 29 of 5 February 1977 article (1) paragraph (C) page No. 159. (2) -- Please read decree No. 707 of 9 January 1977, page No. 187.

Article 19: (as amended by the Law promulgated by Decree No. 14013 of 16 March 1970):

It shall lie with the Bank of Lebanon to fix the maximum rate of interest which banks shall be authorised to grant to bank deposits.

If a depositor earns interest exceeding this rate its deposit is considered not covered with the guarantee.

As for the infringing Bank, it shall be liable in conformity of article (209) of the Code of Money and Credit, to one of the sanctions stipulated in article (208) of the said Code, as well as to a fine varies from 5,000 to 25,000 Lebanese pounds.⁶

Article 20:

The Guarantee Institute benefits from exemptions and privileges provided under Title 2 section (10) of the Code of Money and Credit. In the event of a bank's liquidation, the Institute is exempted from the obligation mentioned in the last paragraph of article (120) of the Code of Money and Credit.

TITLE 3 : TRANSITIONAL AND VARIOUS PROVISIONS

Article 21:

The credit facilities stipulated in Law No. (62/66) of 9 November 1966 may continue to be granted to banks until 10 May 1968, in conformity with the terms mentioned in the same law and the renewal of the granted advances. Refund of all the exceptional advances shall be made before 31 December 1968.

The Council of Ministers may, after the date of 10 May 1968 and for a period ending on 31 December 1968, decide, on the proposal of the Higher Bank Board, granting the same facilities in certain circumstances and within determined time-limits of grant and refund with the exception of what is mentioned in paragraph (7) of article (1) of the aforementioned law.

Until the formation of the control commission and the setting up of the Guarantee Institute, the government is authorised, for a maximum period of three months dating from the enforcement of the present law, to take all the measures required for supporting the banking status.

Article 22:

⁶ Please read articles 174 and the consequent articles in the Code of Money and Credit.

The Higher Bank Board is empowered to extend times until a date not exceeding 31 December 1968, the mentioned time-limit in article (214) of the Code of Money and Credit.

Article 23: (as amended by Decree No. 9789 of 3 May 1968)⁷:

The Higher Bank Board mentioned in the present law may, up to 31 December 1968, by decree passed by the Council of Ministers, decide the seizure of any bank if it appears that its position no longer enables it to proceed with its activities.

The Board may take such a decision as long as a tribunal has not delivered a ruling proclaiming that the bank suspended its payment.

The chairman of the Higher Bank Board shall immediately transmit its decision to the Council of Ministers. The Council of Ministers shall be required to finalise thereon, after an oral hearing of the chairman of the Higher Bank Board, within 48 hours dating from the reception of such decision by the secretary-general of the Presidency of the Council.

The decision shall be executory upon its approval by the Council of Ministers or once the aforementioned time-limit has elapsed and no decision has been reached.

It shall immediately be notified to the Department of the Public Prosecutor entered on the Trade Register, published in the Official Gazette and notified to the Registrars of the Real Estate Registers.⁸

The decision of the Higher Board as well as that of the Council of Ministers are open to no review through ordinary or extraordinary, administrative or judicial channels.

Article 24:

The decision for under seizure shall entail the transfer of the bank concerned to the Bank of Agricultural, Industrial and Real Estate Credit, to which are devolved the rights provided by the present law. Conveyance of the immovable exempted from fees.

Article 25:

The joint-stock company owing the bank under the decision for seizure is considered dissolved by result of this decision The general meeting, convened by summons from the accounts commissioners, shall have to appoint three persons deciding by majority and representing the Jointstock company dissolved for the liquidation of its claims in respect of the Bank of Agricultural, industrial and Real Estate Credit. The meeting shall be

⁷ Please read article No. (1) of Decree No. 7977 of 16 August .1967 Page No.90.
Please read article No. (1) paragraph (f3) of decree No. 9471 of 1 March 1968 page No. 103.

⁸ Please read articles No. (2) and (3) of Decree No. 7739 of 8 July 1967 page No. 66,67.

authorised to select one of these persons to be joined to the commission in charge of the adjustment of the estimated inventory stipulated to in article (30) of the present law.⁹

Article 26:

The Bank of Agricultural, Industrial and Real Estate Credit shall exploit the company concerned. To this effect, it shall be vested with all powers including that of assignment, waivering, settlement, and delegation to third parties of all or part of its powers.

Starting from the date of under seizure, the exploitation of the company shall be under its "Name" followed by the mention "New Company", Law of . . . (that is to say the date of the present law).

Independent accounts shall be kept of all the company's exploitation operations subsequent to under seizure.¹⁰

Article 27:

By derogation of the provisions of article (45) of the present law, the Bank of Agricultural, Industrial and Real Estate Credit shall be authorised to cede the company Lender seizure to any joint-stock Lebanese company whose object is specifying expressed as having been set tip in order to acquire the company concerned. Likewise, any bank or group of banks operating in Lebanon shall be entitled to acquire one or several banking "new companies" and shall substitute for the Bank of Agricultural, Industrial of Real Estate Credit in all its relations with those companies.

Article 28: (as amended by Decree-Law No. 8 of 3 July 1967, the Law promulgated by Decree No.14013 of 16 March 1970, and Law No. 110 of 7 November 1991):

The National Institute for the Guarantee of Bank Deposits shall pay the debts of the bank towards its staff, entirely and on the dates laid down in the employment contracts, it shall furthermore pay the debts of the bank which are guaranteed by real sureties, if it considers the payment of these debts to be opportune.

The employees of tile bank will have the right to a complementary payment equivalent to six months' salary, assessed on the basis of the employee's last salary.

Article 29: (as amended by Decree-Law No. 8 of 3 July 1967):

Shall be deducted from the Bank of Agricultural, Industrial and Real Estate Credit profits resulting from the management, the operation or the assignment of banks taken-in-charge, part of the said profit which shall be determined by the agreement

⁹ Please read article No. (2) and the consequent articles of Decree No. 8 of 3 July 1967 page No. 5 7.

¹⁰ Please read articles (3), (6), (7) and (10) of Decree No. 8 of 3 July 1967 page 57, 58,59,60.

referred to in the following paragraph and which shall be carried to the account of the National Guarantee Institute.

An agreement shall be concluded between the government and the Guarantee Institute and Bank of Agricultural, Industrial and Real Estate Credit setting down the rights and obligations of each of these parties resulting from the enforcement of the present law.

Article 30: (as amended by Decree-Law No. 8 of 3 July 1967 and Law No. 110 of 7 November 1991):

- I - A comprehensive provisional inventory will be drawn up, covering the assets, rights and obligations, as estimated at the date of under seizure by an Appraisal Commission nominated by the Special Banking Court, which will determine its duty, the time required for its completing, as well as its indemnities.

The Appraisal Commission mentioned in the preceding paragraph comprises as follows:

- I - A member designated by Special Banking Court, who will be the president of this Commission.
- 2 - A member proposed by the National Institute for the Guarantee of Bank Deposits.
- 3 - A member proposed by the Governor of the Bank of Lebanon.
- 4 - A member chosen from the creditors of the bank in question.
- 5 - A member chosen from the shareholders of the bank in question, and designated in conformity with the provisions of article (25).

The Commission shall take the legal oath before the Special Banking Court before starting its work. Its appraisal decisions will be taken on a majority of at least three votes.

- 2 - The following regulations shall be applied concerning debts which shall be settled on a pro rata basis (i.e at so many piastres per pound) in enforcing article (36) of the present law.
- Within a period of one month dating from publication of the decision concerning under seizure in the Official Gazette and in two newspapers, the creditors concerned, with the exception of depositors, must, under penalty of foreclosure, file with the National Institute for the Guarantee of Bank Deposits, which carried out the under seizure on the dissolved company, an application accompanied by the relevant documents with a view to registering their claims on the inventory provided for in the present article and subsequent articles of the present law. This application must comprise an elected domicile in Beirut and shall be submitted in two copies, one of which will be returned to the interested party after insertion of the signature of the National Institute for the Guarantee of Bank Deposits confirming that the presentation of the application and its enclosures was carried out within the time-limit stated above.
- These requests shall be transmitted to the Commission.

- The commission will proceed to the study of the request for registration previously mentioned. If the said Commission judges them to be admissible, it will list them in the provisional inventory. If the committee judges a request to be inadmissible, it will advise the interested party accordingly and will request him to present an objection in conformity with article (33) of the present law. This notification will be forwarded to the interested party at his elected domicile, and this must be done before publication in the Official Gazette of the notification provided for in article (32) of the present law,
- The total amount of the rejected claims shall be posted "for memo" in the liabilities of the provisional inventory.

Article 31: (as amended by Law No. 110 of 7 November 1991):

A provision corresponding to the amount of the concerned bank's doubtful debts shall be posted under liabilities. The assets accruing to the bank and pledged with third parties, shall be posted at their net value after subtracting the amount of the debt. If this amount exceeds the value of the assets under pledge, the difference shall be posted to claims.

Interest shall be ceased on all the debts and liabilities of the banks under seizure, as from the date of the decisions for under seizure.

Article 32:

The Commission shall end the mission which is entrusted to it within three months of the date of its notification of this mission. It shall be required to publish a notice to this effect, in the Official Gazette. Interested parties shall be authorised to get acquainted with the provisional inventory at the Bank of Agricultural, Industrial and Real Estate Credit.

Article 33: (as amended by Decree-Law No. 8 of 3 July 1967 and Law No. 110 of 7 November 1991):

Within a period of one month dating from publication in the Official Gazette of the notification announcing the drawing up of the provisional temporary inventory , any interested party will be entitled to refer to the Commission responsible for assessing the inventory to request reconsidering on the basis of observation, information or new documents which were not available when it was drawn up.

The Commission must deal with these applications by a Global decision within a period of two months following the period of one month provided for in the preceding paragraph. The decision of the Commission as well as the file of the estimation shall be transmitted to the Special Banking Court, which may approve the decision of the Commission or modify it within a period of one month dating from the receipt of the decision in question. The provisional estimated inventory becomes final after the decision of the special banking court.

The special Banking Court will deal with the case in Council Chamber and will convene the interested parties. Its decisions are final, irrevocable and open to no ordinary or extraordinary channel of recourse.

Article 34:

The Bank of Agricultural, Industrial and Real Estate Credit shall definitively adopt the situation thus established.

Article 35:

The Department of the Public Prosecutor, the Governor of the Bank of Lebanon, as well as any interested party shall be entitled to proceed before the competent jurisdiction, against the chairman and the members of the board of directors of the bank under seizure, against any person with right of signature and against account commissioners in charge of the bank's management or the auditors in the course of the eighteen months preceding the date of publication of the under seizure, as well as against any participating person, in conformity with the legal provisions relating insolvency, with due regard to their penal and civil responsibility. The assets of these persons shall be distrained in conformity with provisions of law No. (2/67) of 16 January 1967, It shall be the Public Prosecutor's duty to take such measures as may be necessary.

In the event of a deficit in the holdings, the legislative texts regulating such a situation shall be taken into consideration to determine responsibilities.¹¹

Article 36:

The debts of the dissolved company, not covered to in the provisions of article (28), shall be repaid and on the basis of the difference between the assets and liabilities resulting from the estimated inventory (circulated piaster)¹²

Article 37:

Clearing shall be carried at the Bank of Agricultural, Industrial and Real Estate Credit between tile debts and claims of the one person himself, even in the event of disparity of obligations and maturities, on condition however that tile obligation is assured.

Clearing shall be operated between the debts and claims of persons responsible for the management and supervision of the bank and persons with right of signature, on the one hand, and the debts and claims of persons related to them by family ties such as is provided in the last paragraph of article (152) of the Code of Money and Credit, on the other hand, without prejudice to the creditor's right of review against the debtor.

Article 38:

¹¹ Please read article No. (6) of Decree No. 7739 of 8 July 1967 page No. 68.

¹² Please read article No. (13) of Decree No. 7739 of 8 July 1967 page No. 71.

A decree adopted by the Council of Ministers shall determine all the necessary measures and provisions designed to ensure the carrying out of the decision regarding the suspension of the bank's activities and its under seizure, as well as its conveyance to the Bank of Agricultural, Industrial and Real Estate Credit.¹³

Article 39:

Shall be under penalty of a term of imprisonment of three months to one year and to a fine going from 1,000 to 5,000 Lebanese pounds, or either the penalty, any person evading the execution of the decision for under seizure or obstructing it.

Article 40: (as amended by the Law promulgated by Decree No. 14013 of 16 March 1970):

The Bank of Lebanon is required to advance to the Credit Bank,¹⁴ for the account of the Treasury, such amounts as may be necessary to repay outstanding debts, in conformity with the provisions of the present law, by the bank under seizure. These advances are guaranteed by the State.

Article 41:

The government is authorised to legislate, within a time-limit of three months dating from the publication of the present law, to amend the law setting up the Bank of Agricultural, Industrial and Real Estate Credit, by decree passed by the Council of Ministers.¹⁵

Article 42:

In order to enable it to play its role such as is devolved by the present law, the Bank of Agricultural, Industrial and Real Estate Credit is authorised to issue state-guaranteed bonds in conformity with the provisions of article (7) of the law concerning merchant banks for long and medium term credit operations.

Article 43:

The Bank of Agricultural, Industrial and Real Estate Credit is subject to the law on banking secrecy, in all that concerns the management and exploitation of banks under seizure.¹⁶

Article 44:

¹³ Please read the Decree No. 7739 of 8 July 1967 page No. 65.

¹⁴ Bank of agricultural and Real Estate credit.

¹⁵ Please read Decree Law No. (8) of 3 July 1967 page No. 56.

¹⁶ (1) - Please read Decree Law- No. (8) of 3 July 1967 page No. 56

The government is authorised, within a year dating from the publication of the present law, to issue Treasury Bills, for a maximum amount of 75 million Lebanese pounds, interest-bearing and in some cases with premiums, and to lay down regulating and organisation therefor by decrees passed by the Council of Ministers.

Article 45:

Licenses for the setting up of new banks and the opening of branches of foreign banks in Lebanon, are suspended for a period of five years, except for merchant and credit banks for long and medium-term credit operations and banks emanating from the merger of existing banks or the transformation of branches of foreign banks into Lebanese banks. The Council of Ministers shall be empowered to extend the license for a fresh period not exceeding five years.¹⁷

Article 46:

The government is authorised to grant by decree passed by the Council of Ministers, fiscal and other facilities and exemptions designed to promote the merger of banks or their self-liquidation.¹⁸

Article 47:

All provisions and texts incompatible or whose wording does not conform with the provisions of the present law are abrogated.

Article 48:

Details of the execution of the present law shall be set by decrees passed by the Council of Ministers.¹⁹

Article 49:

The present law shall be enforced upon its publication in the Official Gazette.

Sin EI-Fil, 9 May 1967

Signed: Charles Helou

By the President of the Republic
The President of the Council of Ministers
Signed: Rachid Karamah

¹⁷ Please read article (27) from the present law.

The suspension stimulated in this article was promulgated to 5 more years in conformity of decree No. 3321 of 26 May 1972 page No. 129.

¹⁸ Please read Decree No. (8284) of 28 September 1967 modified by decree No. 9362 of 6 February 1968 and decree No. 10956 of 2 October 1966 and decree No. 1 1460 of 12 January, 1968 of page No.93, 101, 106, 111.

¹⁹ Please read decree Law No. (8) of 3 July 1967 and decree No. 7739 of 8 July 1967 pages No. 56, 65.

The Minister of Finance
Signed: Rachid karameh