

BDL Circ. 158 - Exceptional Arrangements for Gradual Withdrawal of Foreign Currency Deposits

including all related regulatory amendments

KEY FACT STATEMENT | As per BDL Circular No.134

General Conditions

Applicable to all FCY accounts outstanding as at 31.10.2019

Applicable to accounts **opened or funded after 31.10.2019 with amounts originating from accounts opened before 31.10.2019**; these include amounts transferred from Joint to Individual accounts or vice-versa and from blocked to current accounts, accounts whose status changed from dormant to active and accounts open to receive inheritance funds. Only the original account holder who funded the new accounts can benefit from Circular 158, and all heirs to the inherited account can only benefit from the maximum amount set for the deceased original account.

Implementation started on 01.07.2021; conditions applicable for 1 year; renewable annually

Valid till the "sub-account" amount is fully settled (Max. 5 years if Circular 158 is renewed)

If the Sub-account is opened before 31.10.2021: Retroactive Effect applies

If the Sub-account is opened after 01.11.2021: Retroactive Effect does not apply

Eligible Customers

Physical person / individual

Resident or Non Resident

Minor

Non Eligible Customers

Moral person / Juridical entity

Sole proprietorship (Est.)

Companies, NGOs

Public Sector Entities

Banks and Financial Institutions

Customers who did not return the percentage specified in BDL circular 154 of the funds transferred abroad

Eligible Accounts		Maximum Monthly Withdrawal USD 800 per customer	
Starting Balance	Balance as of 31/10/2019 Excluding: Cash Collateral / Cash Margin	 FCY amount	 LBP amount
Ending Balance	Balance as of 30/06/2021 Excluding: Cash Collateral / Cash Margin Fresh Funds Sub-accounts FX transactions (from LBP to USD) executed after 31/10/2019	Monthly USD 400	Monthly USD 400 converted @ LBP 12,000
Deductions	Cash Withdrawals (after 31/10/2019) Outward International Transfers (after 31/10/2019) Visa Card Settlements (after 31/10/2019) Future loan payments in FYC (Up to 30/06/2022)	<ul style="list-style-type: none"> > Cash Banknotes > Transfers Abroad > Credit Card > Fresh Account 	<ul style="list-style-type: none"> > Cash LBP Banknotes 50% > LBP Debit Card 50% For POS transactions only
Conditions	1. Ending Balance as of (30/06/2021) to be less than the Starting Balance as of (31/10/2019) 2. Balance is still available	Maximum USD 4,800 per year	Maximum USD 4,800 per year
		Max. USD 4,800 In the Whole Banking Sector	Max. USD 4,800 In the Whole Banking Sector

New Sub-Account Features

The eligible agreed amount will be assigned to a new sub-account (suffix 952)

Balance to be ≤ USD 50,000

0% interest, 0% commission, no fees

Credit transactions are not allowed

Debit transactions, except the monthly withdrawals specified by the circular, are not allowed

The withdrawal right is cumulative

The "Banking secrecy" is lifted towards BDL & BCCL on the "Special Sub Account" only

Customers have the right to return unused funds from the "new sub-account" to the initial account; they will then become exempted from any restriction imposed by circular 158.

Impact on Circ. 151

General Rule	Customers benefiting from Circ. 158 can also benefit from Circ. 151 at any bank other than Arab Bank during the applicable period. Once Circ. 158 sub-account balance is fully utilized, customers can benefit again from Circ. 151 at Arab Bank.															
Salaried Customers	Customers having their salaries domiciled in local dollars, can benefit from Circ. 151 up to the value of their salaries in case they apply for Circ. 158															
Joint Account	If one account holder wants to benefit from Circ. 158, the other cannot apply Circ. 151 on the joint account but can apply Circ. 151 on other individual accounts															
Retroactivity Conditions	<table border="1"> <thead> <tr> <th>30.06.21</th> <th>31.07.21</th> <th>31.08.21</th> <th>30.09.21</th> <th>31.10.2021</th> </tr> </thead> <tbody> <tr> <td>151 yes</td> <td>151 yes</td> <td>151 yes</td> <td>151 yes</td> <td>158 No retroactivity</td> </tr> <tr> <td>151 No</td> <td>151 No</td> <td>151 No</td> <td>151 No</td> <td>158 With retroactivity</td> </tr> </tbody> </table>	30.06.21	31.07.21	31.08.21	30.09.21	31.10.2021	151 yes	151 yes	151 yes	151 yes	158 No retroactivity	151 No	151 No	151 No	151 No	158 With retroactivity
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Joint Accounts Conditions

Mutual agreement on the percentage share of each account holder

Monthly payments are disbursed on a Pro Rata basis according to the percentage allocated to each beneficiary as agreed by the account holders (i.e. the % of the \$800 monthly amount)

Max. Eligible amount for the joint account = USD 50,000

All joint account holders interested to benefit from Circ. 158 need to hold an individual account

Each amount agreed upon the account holders is to be transferred to an individual Sub-Account (total amount up to USD 50 000)

All joint account holders must sign the agreement

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Frequently Asked Questions	
Can a customer benefit from Circ. 158 at several banks?	Yes, with the following conditions: 1. USD 800 from each bank (as per general BDL formula) 2. Max. USD 9,600 per year In the whole banking sector
Is Circ. 158 Banking Secrecy waiver applicable to all the customer's accounts?	No, Banking Secrecy is waived only on the new Sub-account that is opened for Circ. 158
Can a customer whose 158 sub-account balance is fully utilized (i.e. at maturity) benefit again from Circ. 151?	Yes, provided circular 151 is still applicable (as per BDL memo issued 28.06.2021)
How can non-resident customers apply to benefit from Circular 158?	Empty forms can be sent to clients by email at the customer's request The Request Form (scanned signed copy) to be sent by email + call confirmation The original Application Form to be sent by courier. For joint accounts, the Request Form can be signed by 1 of the account holders The Joint Account Form & the Application Form are to be signed by all account holders
What if the customer has accounts in several foreign currencies (USD, EUR, GBP...)?	1. Determine the eligible amount 2. Convert deposits in foreign currencies that will benefit from Circular 158 to the USD and transfer to the USD sub account (810 suffix) upon document signature 3. Transfer the eligible amount to the new sub-account
Can dormant accounts benefit from Circular 158?	Yes, if eligible
If one of the joint account holders is deceased, can the other account holder apply Circ. 158 on the joint account?	Yes
If a client benefits from Circ. 158 on his individual account with Arab Bank, can he benefit from Circ. 151 on his account at another bank at the same time?	Yes, but not at Arab Bank during the period when circular 158 is applicable.
An individual account balance of USD 100,000 (before Oct.2019) was transferred to a joint account after that date. Can we apply Circ. 158 to the new joint account?	Yes, but only the customer holding the original account can benefit from the circular
How is Circ. 158 processed for Minor accounts?	The regular process is applied in case of eligibility, and the Debit Card will be issued in the name of the legal guardian to benefit from the USD 200 converted to LBP for exclusive use at POS
Can the client later decide to add any unused funds from the approved eligible amount ?	Yes, The client has the option to limit the amount transferred from the approved eligible amount to the special Circular 158 subaccount, up to USD 10,000 per year, and to add any unused portion of the approved eligible amount to the special subaccount the next year.
Can we use a PoA (Power Of Attorney) to apply circular 158?	Yes, conditional on providing the documents specified below and on final legal department approval Document Type 1. A confirmation letter on the PoA currently adopted by Arab Bank, explicitly stipulating the following clause: "I authorize, upon my full responsibility, my proxy to sign on my behalf the applicable forms related to the Central bank circular # 158 and its amendments". 2. New PoA explicitly referring to the new Central Bank circular # 158 and its amendments.

Joint Accounts Examples

	A Individual Account	A&B Joint Account	B Individual Account
	✓ 158	✗ 151	✓ 158
	✓ 158	✗ 151*	✓ 151
	✗ 158	✓ 151	✗ 158
	✓ 151		✓ 151

* A certain amount can be transferred to B's individual account

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