

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

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 replenished after 31.10.2019 (*from Joint to Individual or vice-versa, dormant to active, inheriting accounts...*) but funded from accounts that were opened before 31.10.2019; Only the original account holder that funded the new accounts, can benefit from Circular 158
 Implementation started on 01.07.2021 and conditions amended on 30.06.2023, applicable for 1 year, renewable annually
 Valid till the "sub-account" amount is fully settled

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

Eligible Accounts

Starting Balance	Balance as of 31/10/2019	Max. monthly withdrawal	USD 300
Ending Balance	Balance as of application date Excluding: Fresh Funds Sub-accounts FX transactions (from LBP to USD) executed after 31/10/2019	Max. Yearly withdrawal in the whole banking sector	USD 3,600
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)	Amount to be used as follows	Cashed (banknotes) &/or Deposited in Fresh Funds account: to be externally transferred (<i>outside Lebanon</i>) &/or used with an International Card inside or outside Lebanon
Conditions	1. Balance as of application date to be less than the Starting Balance as of (31/10/2019) 2. Balance is still available		

New Sub-Account Features

The eligible agreed amount will be assigned to a new sub-account (suffix 551)
 Balance to be ≤ USD 50,000; minimum: USD 300
 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 who want to benefit from Circ. 158 can benefit from Circ. 151 simultaneously, from any other bank operating in Lebanon, during the applicable period, but not from Arab Bank. Once Circ. 158 sub-account balance is fully utilized, customers can benefit again from Circ. 151 from 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

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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including all related regulatory amendments

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Frequently Asked Questions	
Can a customer benefit from Circ. 158 at several banks?	Yes, with the following conditions: 1. USD 300 from each bank 2. Max. USD 3,600 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 joint account at another bank?	Yes
An individual account balance of USD 100,000 (before Oct.2019) was recently transferred to a joint account. Can we apply Circ. 158 to the new joint account?	Yes
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.
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

- 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".
- 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	X 151	✓ 158
	✓ 158	X 151*	✓ 151
	X 158	✓ 151	X 158
	✓ 151		✓ 151

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