

- 2 - It requires responsible bank directors, whenever it deems it necessary, to furnish all additional information, clarifications or justifications, duly confirmed by them in writing and under their personal responsibility.
- 3 - The Central Bank Governor is entitled, if he deems it necessary, to decide a further verification by his assessors, in order to satisfy himself of the accuracy of all or part of what has been mentioned in the two preceding paragraphs.

Should the Governor take such a decision, the responsible managers of the bank or banks concerned shall be required to put at the disposal of the assessors, that the Governor will have chosen from among the assessors belonging to the Service referred to in article 148, the documents which will enable these assessors to discharge their duty and to submit a detailed report.

#### Article 150

In no case can the assessors of the Central Bank require bank managers to reveal the names of their clients, except for holders of debtor accounts. Nor can they apply to any other person except to the responsible manager of the bank.

Banks are authorised to arrange their accounts in such a manner that the names of the clients do not appear, except for holders of debtor accounts.

Central Bank assessors are strictly forbidden, in the exercise of their supervision, to enquire about any question of fiscal nature, to interfere in it, or to report it to whomsoever.

#### Article 151

Every person belonging to or having belonged to the Central Bank, in any capacity whatsoever, is bound by the banking secrecy Law of 3 September 1956. This obligation covers all information and facts concerning not only the clients of the Central Bank and banks and finance establishments but also these establishments themselves, and with which he has been acquainted through his association with the Central Bank.

#### Section 5 - General management regulations

##### 1 - General principles

Article 152 (as modified by Decree-Law No. 41 of 5 August 1967,  
(and the Law promulgated by Decree No. 6102 of 5 October 1973

Banks are forbidden to :

- 1 - Carry on a trade, an industry or any activity whatsoever which is alien to the banking profession;
- 2 - Enter into association, in whatever form, with industrial, commercial, agricultural enterprises or others, in compliance with the provisions of article 153;

- 3 - Grant credits, in any form whatsoever, to their supervisory commissioners, to the Central Board and to the Central Bank's personnel of all grades, as well as to the family members of such persons;
- 4 - Grant, either directly or indirectly, credits to members of its Board of Directors or to persons in charge of its management, to its principal shareholders and to relatives of such persons without compliance to the conditions laid down in the following :
  - A - Credits shall be the object of a prior authority, in principle, from the shareholders general meeting which would specify at least the maximum level of credits that could be granted to each person, while it would be the duty of the Board of Directors and of the Supervisory Commissioners to advise the shareholders ordinary annual meeting of the grant conditions governing such credits and of the way such conditions shall be met; if necessary, the meeting's authority shall be rejuvenated each year.
  - B - The granting of every credit must be the object of an express permission of the Boards of Directors specifying the amount and the terms.
  - C - Credits shall be covered by real collateral security or by bank guarantee from a finance establishment duly registered in Lebanon and acceptable to the Supervisory Commission.
  - D - Such credits shall not exceed, in the aggregate, 25 per cent of the bank's own funds.
  - E - Any bank may grant these credits to members of its Board of Directors, to persons in charge of its management and to its principal shareholders, irrespective of the conditions stated in this article, within a margin of 6 per cent of its own funds and the maximum level referred to in the preceding subsection D.
  - F - It shall be the duty of the Banks Control Commission to appreciate to what extent the provisions of this article shall apply to specific accounts and risks particularly in so far as an indirect interest exists, each case to be examined individually. Where diverging viewpoints arise between the Banks Control Commission and the Board of the bank concerned, the matter shall be referred for adjudication to the Central Board. The decision of the Central Board in this respect shall be considered as final and no means of administrative or judicial review shall be accepted.

Excluded from the provisions of this article are such loans as may be granted by a bank to a subsidiary credit establishment it actually owns even though the persons in charge of the management of that establishment are at the same time members of its Board of Directors or of its staff, on condition that such establishment is duly registered with the Bank of Lebanon.

For the purpose of the application of subsections 3 and 4 of this article, the family shall include the spouse, the ascendants and descendants, the brothers and sisters if they are the borrower's dependants.