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Contact Information

Helmi Mrad

Research Associate I

helmi.mrad@blominvestbank.com

On April 28th, 2026, the Central Bank issued basic circular 173 (Basic Decision No. 13810) related to setting a ceiling on the Merchant Discount Rate (MDR). The circular states that banks and financial institutions (FIs) must not charge vendors and retailers commissions exceeding 1.25% of the value of each transaction paid through local bank card, of which a maximum of 0.9% interchange fee to be paid to the card issuer.

However, the limit specified doesn't apply on all transactions. It only applies on transactions related to vital sectors such as gas stations, super markets and mini markets, hospitals, pharmacies, and large bakeries.

Moreover, banks and FIs should disallow business owners that accept POS payments or any other electronic payment means, from imposing additional fees of any kind on consumers paying by bank card.

Additionally, the Banking Control Commission of Lebanon (BCCL) shall supervise the complete execution of the requirements of this decision.

The goal of this circular is to encourage the usage of electronic payments and decrease the operations. Such decision will help limit the cash economy phenomena.

The decision to be published in the Official Gazette and will be implemented starting June 15th, 2026.

For your Queries:

BLOMINVEST BANK s.a.l.

Research Department

Zeituna Bey

POBOX 11-1540 Riad El Soloh

Beirut 1107 2080 Lebanon

Helmi Mrad

helmi.mrad@blominvestbank.com

Research Department

Tel: +961 1 991 784

research@blominvestbank.com

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