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On May 8<sup>th</sup>, 2026, the Central Bank of Lebanon (BDL) issued intermediate circular 764 (decision 13818) that amends basic circular 150 (decision 13217) related to the mandatory placements and reserve requirements for banks.

The amendment states that each bank must deposit in cash at its premises or in an account (free from any obligations) at the correspondent banks abroad, or at the Central Bank, an amount equivalent to 100% % of the value of "cash funds" in foreign currencies as per basic circular 150 (basic decision 13548). This amount should be formed before the external liquidity ratio stipulated in basic circular 154 (basic decision 13262).

Branches of foreign banks are exempt from the 100% restriction mentioned above, provided that the parent bank commits to cover any cash-related obligations of its branch in Lebanon.

The calculations of the fresh funds coverage amount should include the following items:

- The value of the bonds, specified in sections "a" and "b" of second section related to Article 1 of basic circular 62 (basic decision No. 7274) dated 15/04/1999, classified at fair value. (i.e. sovereign bonds issued by the G-10 countries and rated "BBB" and above or issued by parties having an equivalent rating and provided this percentage is reduced by an amount equal to the sum of the nominal value of the operations performed on the structured financial instruments and of foreign deposits of one year or more).
- Value of Eurobonds classified at fair value.

Banks can sell the Eurobonds and the sales proceeds shall be used as per the following priority:

- To secure liquidity in order to meet the requirements of basic circular 158 (basic decision 13335), dated 08/06/2021, for a period of one year.
- To finance its commercial and investment operations, and not to be used to finance its operating expenses.

Banks that violates the provisions of this article must retain in their accounts Eurobonds in an amount equivalent to double the required percentage to cover this deficit, and it must not be sold or disposed of for the duration of this deficit.

It is to be noted that amounts deposited in “special accounts” opened as per the provisions of Article 2 of basic circular 154 (basic decision 13262) dated 27/08/2020 are exempted from this obligation and remain governed solely by the provisions of the same basic circular under which they were established.

Finally, this decision will be effective immediately upon its issuance and to be published in the official gazette.

**For your Queries:**

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