



**July 2, 2026**

**Contact Information**

**Helmi Mrad**

**Research Associate I**

[helmi.mrad@blominvestbank.com](mailto:helmi.mrad@blominvestbank.com)

Lebanon was officially placed on Financial Action Task Force (FATF) Grey List in October 2024 after a one-year grace period to implement the required actions related to combat money laundering and terrorist financing (AML & TF). In the given grace period, Central Bank of Lebanon (BDL) and the commercial banks implemented the needed actions, while the State didn't. In this article, we will list the tasks that Lebanon didn't do that resulted in listing Lebanon on Grey List. In addition, we will discuss the latest updates on this situation along with the economic outcomes related to it.

To recap, below we will mention briefly the actions that Lebanon didn't implement before October 2024 to escape being on the Grey List, as per May 2023 Mutual Evaluation Report (MER). These were:

- Performing evaluation of specific terrorist financing and money laundering risks recognized and ensuring that policies and measures are in place to mitigate these risks
- Improving mechanisms to ensure the timely and effective execution of requests for mutual legal assistance, extradition and asset recovery
- Developing Designated Non-Financial Business Professions' (DNFBP) risk understanding and applying effective, proportionate and dissuasive sanctions for breaches of AML/CFT obligations
- Verifying beneficial ownership information is up-to-date and that there are adequate sanctions and risk-mitigating in place for legal persons
- Improving competent authorities' use of products of the FIU and financial intelligence

- Establishing a continuous rise in investigations, prosecutions and court rulings for types of ML in line with the risk
- Improving approach to asset recovery and recognizing and seizing illicit cross-border movements of currency and precious metals and stones
- Tracking TF investigations and sharing information with foreign partners related to investigations of TF
- Developing the implementation of targeted financial sanctions without delay, particularly at DNFBPs and certain non-banking financial institutions
- Establishing directed and risk-based monitoring of high-risk non-profit organizations, without disrupting or discouraging legitimate NPO activities

It is to be noted that maintaining Lebanon on the grey list doesn't mean that Lebanon didn't do any reforms or changes related to FAFT findings. However, this indicates that Lebanon didn't fully complete the agreed action plan.

Lebanon did some reforms and made some progress in several areas since October 2024 such as updating AML/CFT regulations, take some measures affecting entities operating outside the regulated banking system, improving coordination among supervisory authorities and enhancing risk assessments.

However, additional progress is required to remove Lebanon from the Grey list as per latest FATF monitoring that was held in June 2026. First, FATF asks for displaying effective investigations – through evidence and not only legislations – such as investigating major ML cases and suing criminals. Second, Lebanon is required to show stronger terrorist financing enforcement such as improvements in more TF investigations, effective sanctions, more prosecutions and greater usage of financial intelligence. Third, an enhanced supervision of DNFBPs. Regular inspections, risk-based supervision and meaningful administrative sanctions for professionals such as lawyers, real estate agents, and dealers in precious metals. In addition, effective implementation of targeted financial sanctions is needed rather than legislations that are not implemented. Finally, more international cooperation is needed to enhance information sharing and cross-border investigations.

Lebanon needs more than ever to be removed from the Grey list as it has negative consequences on the country. Listing on Grey list results in lowered appeal for foreign direct investments which is much needed nowadays. Despite the economic and financial burdens in October 2024 when Lebanon was grey listed, two wars led to direct and indirect losses that could exceed \$20 billion. Additionally, for companies based in Lebanon, doing business with foreign counter parties is costlier due to increased due diligence. Lastly, there might be augmented constrains in countries with rigid measures on cross-jurisdictional operations to and from countries listed on the Grey list.

In conclusion, Lebanon must exert more attention related to the implementation of legislations done for these purposes. Legislation without implementation do not solve the required issues. Political interference is one of the main challenges that are still weighing on Lebanon, thus preventing it from implementing all the required actions to exit the Grey list territory.

**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](mailto:helmi.mrad@blominvestbank.com)

Research Department

Tel: +961 1 991 784

[research@blominvestbank.com](mailto:research@blominvestbank.com)

***Disclaimer***

*This report is published for information purposes only. The information herein has been compiled from, or based upon sources we believe to be reliable, but we do not guarantee or accept responsibility for its completeness or accuracy. This document should not be construed as a solicitation to take part in any investment, or as constituting any representation or warranty on our part. The consequences of any action taken on the basis of information contained herein are solely the responsibility of the recipient.*