

## **Announcement No. 2**

To all the institutions and entities trading in financial instruments in Lebanon, or which activities are subject to licensing by the Capital Markets Authority, in accordance with Law 161 of August 17, 2011 on Capital Markets

Pursuant to Law 161 of August 17, 2011 (on Capital Markets),

Pursuant to the Decision of the Capital Markets Authority's Board taken in its meeting of December 20, 2013,

And pursuant to the Decision of the Capital Markets Authority's Board taken in its meeting of March 31, 2014,

Please be informed of the following:

Whereas Law 161 of August 17, 2011 (on Capital Markets) has entrusted the Capital Markets Authority with all the powers related to financial instruments, including the related professional activities and the individuals engaging in such activities,

And whereas these powers were vested in the Banque du Liban prior to being legally reassigned to the Capital Markets Authority which started its activities with the transfer of related circulars from the Banque du Liban to CMA,

Therefore, the Capital Markets Authority shall impose commissions and fees on formalities and applications that were previously subject to commission by the Banque du Liban, and shall, for this purpose, keep the same commissions and fees, according to the conditions detailed hereunder:

First: Article 26 of the above-mentioned Law 161 authorizes the Capital Markets Authority to impose commissions and fees on licenses, applications, prospectus submission, and other formalities or procedures that must be fulfilled under Law 161.

Second: Pursuant to Law 161, namely Article 26 thereof, in addition to other regulations, circulars, instructions, directives and recommendations set by the CMA to implement the provisions of the said Law, the CMA shall impose fees and commissions on the services that it provides, according to the detailed table attached hereto as Annex (1).

Third: The provisions of article "Second" above shall not apply to public companies and entities.

Fourth: The aforementioned fees and commissions shall be paid in Lebanese Pounds and in accordance with the procedure described in Annex (2).



Fifth: The concerned CMA units shall suspend their examination of any formality or request until the applicant settles the requested fees and commissions, in accordance with the conditions set forth in the present announcement and annexes thereof.

Sixth: The present announcement applies to companies that have already submitted to the Capital Markets Authority, during the transition phase and prior to the release of the present announcement, any formalities or requests that are subject to commission, as per the table attached hereto as Annex (1). They shall thus take the initiative of settling their dues according to the aforementioned procedures.

Seventh: The present announcement shall enter into force upon its publication in the official gazette.

Beirut, on March 31<sup>st</sup>, 2014

CMA Chairman/ Governor of the Central Bank of Lebanon

Riad Toufic Salame (signature)



### Annex (1)

#### Commission and Fees in Lebanese Pounds

<u>Application number</u>	<u>Type of application or procedure</u>	<u>Applicant (A) Banks</u>	<u>Applicant (B) Financial institutions</u>	<u>Applicant (C) Financial intermediation institutions</u>	<u>Applicant (D) other CMA licensed institutions</u>
1	Establishment			2 000 000	
2	Amendment to the Statute/ Articles of Association			200 000	
3	Substitution of the Statute/ Articles of Association			300 000	
4	Statute approval and marking (consolidation)			200 000	
5	Implementation of the capital increase/ reconstitution of capital: distribution of bonus shares			200 000	
6	Implementation of the capital increase/ reconstitution of capital: subscriptions to the capital increase- up to 50 subscribers			400 000	
7	Implementation of the capital increase/ reconstitution of capital: additional commission per category- 1 to 50 additional subscribers			200 000	
8	Transfer of shares and/or dividends and/or subscription rights and/or cash advances: in favor of 1 to 20 transferees			400 000	
9	Transfer of shares and/or dividends and/or subscription rights and/or cash advances: additional commission per category- 1 to 20 additional transferees			200 000	
10	Transfer of shares and/or dividends and/or subscription rights and/or cash advances: additional commission per category- legal person			100 000	
11	One branch opening or relocation			400 000	
12	Financial instruments including Islamic financial instruments and bonds ( <i>sukuk</i> ): license for issuing and marketing Lebanese Financial Instruments (including Islamic instruments and bonds/ <i>sukuk</i> )	500 000	500 000	500 000	
13	License to market and promote financial	500 000	500 000	500 000	



	instruments (including Islamic instruments and bonds/ <i>sukuk</i> ) issued abroad				
14	Taking note of the marketing and promotion of financial instruments' (including Islamic instruments and bonds/ <i>sukuk</i> ) that are licensed for permanent marketing and promotion.	500 000	500 000	500 000	
15	1. Collective Investment Schemes (CISs): license to issue and market Lebanese CISs	800 000	800 000		800 000
16	2. License to market foreign CISs	1 000 000	1 000 000		1 000 000
17	3. Approval of Lebanese CISs statute amendment	400 000	400 000		400 000
18	4. License to establish Lebanese institutions that manage CISs	1 000 000	1 000 000		1 000 000
19	5. CISs: license to manage collective investment funds or contribute to corporate management  Collective investment	1 000 000	-		
20	6. Taking note of marketing CISs that are licensed for permanent marketing and promotion	1 000 000	1 000 000		1 000 000
21	Securitization: license to establish Lebanese securitization institutions	600 00	600 000		600 000
22	Marketing shares of foreign securitization institutions	1 000 000	1 000 000		1 000 000
23	Amending the statute of a Lebanese securitization institution	400 000	400 000		400 000
24	Other miscellaneous formalities and applications	200 000	200 000	200 000	200 000



**Annex (2)**  
**Commission Payment Procedures**

1. The requesting institution intending to submit to the CMA any formality or application that is subject to commission, shall settle the applicable commission in advance as indicated in Annex (1) attached hereto.
2. The commissions and fees indicated for each formality or application in Annex (1) attached to the present announcement shall be settled by transfer of the designated amount from the bank account of the requesting institution to the CMA bank account dedicated for this purpose at the Banque du Liban, with the following IBAN number:  
LB36 0999 0000 0001 0016 5001 1125 (insert without spaces on electronic devices)
3. The transfer is made through the Banque du Liban's Real Time Gross Settlement System (BDL-RTGS) in line with the method it applies. The SWIFT message (MT 202) is constructed with its fields 20 and 72 showing the following information:

<b>20: InstitutionNumber- Code of Request</b> <b>72:/REC/TRNSF/T72/Name of requesting institution- number of requesting institution- Code of request</b> ( <i>Institution category A, B, C, D plus operation type 1, 2, 3, ...</i> )- <b>Amount- Date of Payment</b>
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**For example:**

Code C13 below is the code for settling the commission applicable to license requests submitted by financial intermediation institutions for the marketing and promotion of financial instruments issued abroad.

<b>20:020-C13</b> <b>72:/REC/TRNSF/T72/ABCDE- 020- C13- 500000- 31.3.2014</b>
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4. When submitting a formality or application to the CMA, the requesting entity shall enclose therewith a bank notice validating the transfer (copy of the MT 298 message) and mentioning the requested information as detailed in point (3) above.