

Banking Secrecy

The banking secrecy law was established in 1956 on the basis of a law dated 3/9/1956. The banking secrecy applies to all banks operating in Lebanon. The banking secrecy prohibits the disclosure of any information regarding the banks' clients, their account numbers or balances without the written approval of the client or, in case of his/her death, his/her heirs. The violation of the banking secrecy law carries criminal penalties of up to three months in jail.

There are limited exceptions to the banking secrecy law. The bank can reveal the information that relate to a specific client or his/her account(s) or balance(s) if the client is declared bankrupt, or in the course of a lawsuit between the client and the bank, or in the course of an investigation of the Central Bank of a suspected money laundering operation. In addition, the Central Bank of Lebanon can lift the banking secrecy and freeze the account of a specific client of any of the banks in Lebanon as a part of an investigation carried by the Central Bank regarding a suspected money laundering activity.

Finally, Lebanon is now cooperating with the FATCA and GATCA regulations.