

Kabalan & Associates

مكتب المحامي نورالدين قبلان

Lebanon Legal Update

14 April 2016

Bearer Shares Banned

In line with fighting money laundering, the Lebanese Central Bank has issued on 29 February 2016 Intermediate Circular no 411 resolving to prohibit banks and other financial institutions from carrying out transactions with companies whose ownerships are partially or fully in bearer shares.

The decision regarding new transactions takes immediate effect. Banks and financial institutions whose current situations are not in line with the new regulation are given a deadline of **two years to conform-i.e. by 29 February 2018**.

This new decision means that Lebanon is following the global trend prohibiting bearer shares. Lebanese companies having bearer shares will have to change the form of shares to become Nominative Shares (or Registered Shares) within two years.

Further advice should be taken before relying on the contents of this note

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Kabalan & Associates is a law firm with offices in Beirut & London and registered as Etude Maître Noureddine Kabalan with the Beirut Bar Association.

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