First, the Independent Oversight Board (IOB) of the 3RF welcomes the three new members who joined in April; Ms. Carine Tohme representing ALDIC (The Lebanese Association of Taxpayers’ Rights), Ms. Grace Eid representing NUSANED Foundation, and Mr. Fadel Fakih representing CLDH (Lebanese Center for Human Rights).

In light of the recent developments regarding the capital control law, a key entry point to ensuing reforms, the IOB would like to remind the parliament and the Council of Ministers that ensuring the rights of citizens against abuses by people or by the government is at the thrust of the domestic and international legislation and in particular the universal declaration of human rights that Lebanon contributed to its drafting.

The current capital control draft law in its current version will further destroy the Lebanese economy. It relieves banks from judiciary pressure, allows banks and authorities to remain unaccountable, and hinders the effects of lawsuits filed in Lebanon and abroad. Furthermore, the draft law violates the Constitution by disrupting the free economic system and the equality between citizens. It also places the depositors at the mercy of a committee that is not subject to any judicial authority. Economically, voting the law means obstructing foreign investments, impeding financial inclusion, paralyzing an economy already in its worst, in addition to stimulating money laundering and increasing the size of the illegal parallel economy; all of which foster placing Lebanon on black lists with international regulatory institutions.

Moreover, a stand-alone capital control law would disincentivize financial restructuring and fiscal and monetary reforms that can be delayed sine die. It should imperatively be accompanied by (1) the CoM approving a banking restructuring strategy, (2) Parliament enacting an appropriate emergency bank resolution law, (3) Parliament voting important amendments to the banking secrecy law, (4) auditing the Central Bank and the Electricité Du Liban, (5) unifying the foreign exchange rate and (6) passing a fair 2022 budget adapted to Lebanon’s current situation, and (7) adopting an apt economic plan for the country. Finally, the Capital Control law should be accompanied by the determination of liabilities related to the financial and banking crisis, in order to restore accountability and put an end to the culture of impunity.