

# Hinderance of Banque du Liban's Forensic Audit: A Clear Attempt at Obstructing Transparency and Protecting Corrupt Interests

---

October 31, 2020

**Delaying Banque du Liban's forensic audit is inexcusable and reeks of the system's moral bankruptcy. Resorting to bank secrecy as a justification is legally faulty and a clear attempt at obstructing transparency. We urge all branches of the government—Cabinet, Parliament and Judges—to take all steps necessary to compel BdL to abide by the approved auditing contract.**

A year into the devastating outbreak of the crisis, neglect by the political class has approached criminality. Society deserves transparency on financial transactions that have culminated in millions of people losing their life savings. BdL's refusal to cooperate with auditors is unacceptable. And politicians from across the spectrum justifying and condoning BdL's refusal is inexcusable.

We, the undersigned, believe that:

- The Central Bank is a public entity that, by law, is subject to strict transparency requirements. Alvarez & Marsal (A&M), as forensic auditor, is nothing more than a specialized entity retained by the State to enforce those requirements. BdL's refusal to provide A&M the required information—and failure by the executive and legislative branches to compel it to do so—is a direct violation of the State's legal obligation to protect the public interest.
- Resorting to bank secrecy as a justification for refusing to cooperate with A&M fails the legal test. Bank secrecy is not absolute. The Committee of Legislation and Consultations at the Ministry of Justice opinion on the A&M contract clearly postulated that the Secrecy Law cannot be used against the general public interest and does not protect criminal wrongdoing. If needed, and to protect the identity of natural or legal persons, anonymity can be assured through usage of numbers.
- Resorting to bank secrecy is a blatant attempt at obstructing transparency and protecting corrupt vested interests at all levels.

More broadly, there is a need to seriously consider a complete abrogation of Lebanon's Bank Secrecy Law. The law has lost its original rationale and the culture of impunity it is currently contributing to can no longer prevail when national security is at stake.

We firmly believe nothing prevents A&M from performing the audit fully under the law. The State has the full right and utmost duty to conduct this audit. That said, any Member of Parliament who genuinely believes the legal case for an audit is questionable can simply advance an urgent motion that formally exempts the A&M contract from the stipulations of the Bank Secrecy Law. Parliamentarians who vote against such a motion will, de facto, reveal their true motives and corrupt complicity.