

**Law No.189 issued on October 16,
2020 on the disclosure of financial
income and assets and other interests
and the punishment of illicit
enrichment**

The disclosure system of this Law is clearly focused on one purpose only, and it is detecting illicit enrichment, leaving conflicts of interest aside. While the Constitution and other laws foresee some basic conflicts of interest provisions, they do not require any disclosure.

Scope of Application

In order to implement the provisions of this law, it is crucial to know that a public official is a person who performs a public service, for the benefit of a public domain. It is also important to note that the “teaching staff at the Lebanese University and at public schools” are exempted from disclosure requirements but it should concern all public officials at risk for corruption. This includes any civil servants with decision-making power.

Disclosure of financial assets and interests

Public officials have to submit their declarations upon assuming office and upon termination of office. This obligation includes family members.

Disclosures follow a template and must be submitted at very periodic and regular times. For instance, they should be required when a person first assumes public office, to establish a baseline for any future accumulation of assets during their tenure.

The information required for detecting illicit enrichment should capture all essential financial activity, including the incoming side of all sources of income, loans and even gifts; immovable assets such as houses, moveable objects such as vehicles, jewelry, and financial assets such as cash, domestic and foreign bank accounts. Most of the information relevant for illicit enrichment will also reveal possible conflicts of interest: information on an outside employment will indicate generated income but also point to potential conflicts of interest; the case of financial assets, such as shares in a company, is similar. However, there are also non-financial interests such as (unremunerated) corporate board memberships, which are only relevant in the context of conflicts of interest.

An effective verification system concerns the verification of submission of declarations, as well as their formal accuracy. As for detecting illicit enrichment, it includes a financial audit. This requires access to state databases as well as to privately held information such as company or banking data. It will also entail on-site inspections of assets in single cases and the possibility to make enquiries of witnesses, if only for voluntary information. All disclosures should be subject to submission and formal verification.

Failure to produce timely, complete and accurate disclosures should at a minimum subject the filer to effective, proportionate and dissuasive sanctions. Criminal sanctions should apply to the most egregious offences – in particular, intentional errors or omissions. Should it turn out that public official was hiding a substantial amount of wealth, the sanction must include forfeiture of the hidden assets.

Offense of Illicit Enrichment

The information required for detecting illicit enrichment should capture all essential financial activity in Lebanon and abroad. The provisions of the Criminal Procedure Code apply to

offenses of illicit enrichment as long as it does not contradict the provisions of this law. However, the principles of inquiry, investigation and prosecution contained in the Anti-Corruption Law in the Public Sector and the establishment of the National Anti-Corruption Commission shall be applied as well.

In this regard, it is worth mentioning that complaints and allegations submitted by the commission shall be free of charge. However, claims submitted directly by the victims, shall be subject to a bank guarantee of three million LBP. And both claims are not subject to time. They can be made anytime.

In all cases, whoever commits the offense of illicit enrichment shall be punished with imprisonment from three to seven years and a fine ranging from thirty times to two hundred times the official minimum wage. And when necessary, confiscation of a third-party funds shall be applied.