



**REPUBLIC OF LEBANON**  
MINISTRY OF FINANCE

THE MINISTER

**The Honorable Nina Gershon  
United States District Judge  
United States District Court  
Eastern District of New York  
225 Cadman Plaza East  
Brooklyn, New York 11201**

**Re: Linde, et al.V. Arab Bank, PLC, Case No. 04-2799 (E.D.N.Y.) (NG) (VVP), and  
related actions**

Dear Judge Gershon:

I am submitting this letter with regard to a recent decision authored by your Honor in which "significant sanctions" are imposed on Arab Bank plc for complying with the Banking laws of the Republic of Lebanon. That decision, which is dated July 12, 2010, violates principles of mutual respect for the laws of sovereign nations and puts a commercial enterprise in a untenable position of having to choose between breaking the laws of our Republic where it operates and being subject to severe sanctions in a courthouse in the United States for doing so. It is imperative that such considerable conflicts be avoided and that principles of mutual respect are adhered to by our two nations.

Contrary to your Honor's conclusion that Arab Bank will not face prosecution for violating the laws of Lebanon, we wish to state clearly that Lebanon will seek to enforce its laws by instituting legal action against Arab Bank and its employees if it attempts to comply with the discovery orders of this Court.

It is the judgment of our Republic that our Banking Secrecy Law serves our national interests and must be protected. This law requires bank managers and employees to maintain the absolute confidentiality of customer accounts. Article 8 of this law imposes criminal penalties upon any person who violates an account holder's right to confidentiality.



The stipulations of this law cannot be altered or waived by any governmental authority, whether judicial, financial or other, except for the special Investigation Commission of our Central Bank, who under very limited exceptional circumstances has the authority to order the lifting of confidentiality of an account.

We are aware of the serious nature of the charges that Arab Bank is confronting before your Court. In line with all international standards, Lebanon enacted in 2001 its own anti-money laundering laws addressing anti-terrorism financing, which it expects all businesses and persons operating within Lebanon to follow. Lebanon will prosecute violators of these laws.

Lebanon also works cooperatively with the United States, as well as other nations, through international agreements to prevent money laundering and terrorism financing, but it also expects such nations to recognize and respect its national laws .

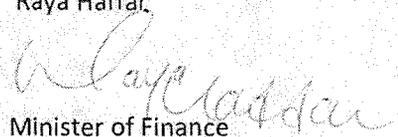
To be clear, while Lebanon is committed to cooperating with the United States and other nations in connection with efforts of the law enforcement and national security communities to investigate and prosecute the financing of terrorism, it remains the case that financial institutions operating within Lebanon must comply with its Banking laws and that these laws must not be derogated as a result of any action, whether by a party instituting a claim for monetary damages in a United States courthouse, or otherwise.

In light of the above , we request that this Court's decision to impose " significant sanctions" against Arab Bank for its compliance with the Banking laws of Lebanon be reconsidered to reflect the recognition of such laws .

A duplicate copy of this letter will be delivered in Beirut to H.E. the Ambassador of the United States of America to Lebanon .

Respectfully yours ,

Raya Haffar,

  
Minister of Finance