

Comments on Lebanon's draft Banking Law in The National, 25 Dec 2025

Dr. Nasser Saidi's comments on Lebanon's draft Banking Law appeared in an article in The National titled "[Lebanon's draft banking law 'fails to ensure' cash recovery for depositors](#)" published on 25th December 2025.

The comments are posted below.

The other challenge is whether the banking system has sufficient liquidity to make repayments to depositors. "The short answer is 'no'," said Nasser Saidi, a former economy minister and deputy governor of Lebanon's central bank. He said it was impossible to know if banks had sufficient liquidity without a forensic audit of the lenders and the BDL.

Additionally, the draft law promises to create future liabilities without clearly specifying how these will be financed. "There is a great deal of vagueness and opaqueness in the draft law. There is uncertainty: who does what, who assesses the amount of losses, who administers etc, which opens the process to potential litigation and legal uncertainty," Mr Saidi said.

A major issue with the draft law is that it does not add new liquidity into the banking system, but rather focuses on the balance sheets of the commercial banks and the BDL. "This is a flawed static approach. You need both solvency and liquidity and long-term sustainability requiring a dynamic analysis," said Mr Saidi.

New capital and financial resources will need to be injected in the banks to provide credit and finance to stabilise and restore economic growth.

“This is not a zero-sum game,” he added. “The risk is that absent resolution of uncertainties, the restructuring process will end up being a failed, negative-sum game – a situation in which the total losses of all participants exceed the total gains, resulting in a net loss for everyone involved, that will not restore trust to revive a cash-based, informal economy.”