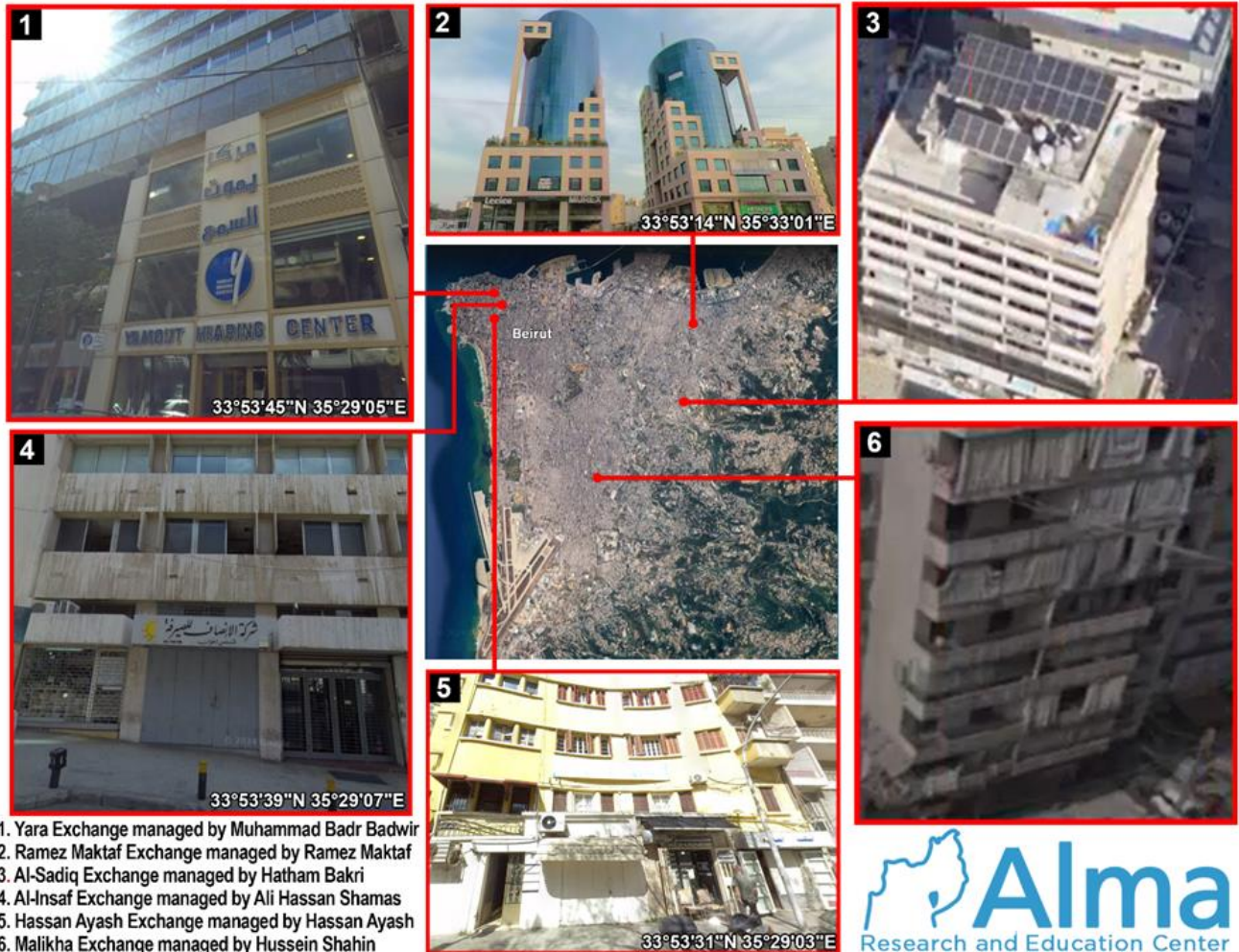


# Exchanges in Lebanon - a central component of Hezbollah's financing axis

## - details and recommendations

### CURRENCY EXCHANGES IN BEIRUT LINKED TO HEZBOLLAH



By: Tal Beeri (July 27,2025)

## Executive Summary

On June 24, 2025, Haitham Abdallah Bakri, the manager of the exchange office "Al-Sadiq", was eliminated in an Israeli targeted strike. Bakri was a central figure in Hezbollah's financial axis.

The "Al-Sadiq" office is one of six Lebanese exchange offices that constitute a significant component of Hezbollah's terror financing mechanism (the others: "Mecattaf", "Yara", "Al-Insaf", "Maliha", "Hassan Ayash"). Through them, funds are channeled to Hezbollah from Iranian sources, global donations, and worldwide criminal activity. Their operation is disguised as legitimate, taking advantage of legal licensing in Lebanon and lack of enforcement.

## Key Insights

- The exchange offices are a strategic link in Hezbollah's financial network, used for military and civilian funding and for money laundering.
- The "Hawala" method allows international money transfers without digital traces, via settlements between exchangers in different countries. There is no banking oversight and no documentation – enabling flexibility, survivability, decentralization, and evasion of sanctions and intelligence monitoring, all while exploiting legitimate business ties.
- Loose oversight in Lebanon, corruption, and fear of confrontation with Hezbollah allow these offices to continue operating, some with licenses from the Lebanese Central Bank.

## Recommendations to the International Community, Led by the United States

- Imposing international sanctions and demanding state-level license revocation for all six offices and their personnel – currently only the "Hassan Ayash" office is officially designated.
- Demand a financial investigation into the links between "Mecattaf" and "Saradar Bank" and the possibility of Hezbollah-related activity in Saradar Bank due to cross-ownership by Ramez Mecattaf.
- Demand the effective implementation of oversight following Instruction 13735 of the Lebanese Central Bank (July 14, 2025), aimed at combating money laundering and terrorism financing, given concerns it won't be implemented due to political considerations and Hezbollah pressure.

## General

On June 24, 2025, Israel carried out a targeted strike against an ostensibly civilian target – Haitham Abdallah Bakri – the manager and owner of the exchange office "Al-Sadiq" ("The Honest"/"The Just"). The target was not a minor money changer, but a central key figure in Hezbollah's financial system and terrorist fund transfer infrastructure. This is an excellent example of the fact that not every terrorist carries a weapon.

Bakri's elimination followed the elimination in Iran (June 21) of the commander of Unit 190 of the Quds Force of the Iranian Revolutionary Guards (Behnam Shahriari). Unit 190 is responsible, among other things, for the logistics of transferring funds from Iran to Lebanon.



Above: Haitham Abdallah Bakri

The "Al-Sadiq" exchange office is one of six key Lebanese currency exchange offices linked to Hezbollah's financing axis, whose primary source is Iranian money transferred to Hezbollah by the Iranian Quds Force, which typically channels the funds through Iraq, Turkey, and the United Arab Emirates.

Additional sources may include the many donations collected from Shiite communities around the world and various forms of criminal activity in which Hezbollah is involved globally.

According to an IDF spokesperson's statement, the five other exchange offices associated with Hezbollah's financing axis are: "Mecattaf", "Yara", "Al-Insaf", "Maliha", and "Hassan Ayash", all of which have their main offices located in Beirut.

## Hezbollah: Financing Infrastructure – Including Exchange Offices – A Strategic Component in Reconstruction Capability

Hezbollah's financial infrastructure constitutes a strategic component in the organization's ability to recover after the war. A central pillar of these infrastructures is the network of currency exchange offices.

The main gap revealed during the drafting of this report concerns the weakness of governmental oversight in Lebanon: these exchange offices operate under legal licenses cooperating with recognized financial institutions. However, enforcement mechanisms are almost entirely absent in Lebanon, compounded by political corruption and a reluctance to confront Hezbollah. This enables Hezbollah to operate a covert yet well-established self-financing network. The result is an almost unrestricted sphere for the transfer of funds.

Over time, the exchange axis has developed into a system that operates under the radar, resilient to sanctions, and characterized by redundancy, flexibility, and survivability. The Lebanese currency exchange network is a dense web of offices, kiosks, and small businesses that facilitate fund transfers without banking oversight and, at times, without any documentation at all. While most of the public uses exchange services for legitimate civilian purposes, for Hezbollah, this system represents a critical lifeline — especially in the current period.

Through the aforementioned exchange offices, Hezbollah manages to secretly and consistently transfer millions of dollars to fund both its civilian and military operations. The exchange axis is used for money laundering, salary payments, funding associations and civilian organizations affiliated with Hezbollah's Executive Council, and arms procurement — all while evading Lebanon's formal banking system and international oversight.

### Hezbollah is Not Alone

Hezbollah, of course, is not alone in using this method. Over the past decade, terrorist organizations around the world — from al-Qaeda to ISIS, from Hamas to Islamic Jihad — have discovered the **Hawala system** for transferring funds. It is a simple yet sophisticated method, flexible and almost impossible to enforce.

This method is based on a straightforward yet intricate principle: there is no need to actually transfer money, only to perform mutual offsets between exchangers located in different places and countries around the world.



## How Does It Work? Step by Step

1. **The process begins in the country from which the money is to be transferred.**

As mentioned earlier, Hezbollah receives funding from a source in a foreign country — for example, Turkey:

A local exchanger in Turkey is approached by Unit 190 or another Hezbollah-linked actor, who arranges for a cash deposit to be made directly — for example, \$100,000 delivered in a suitcase by a courier.

The Turkish exchanger does not inquire further; he merely notes the deposit for his own records. No formal bank transfer takes place, no paperwork is generated, and no digital footprint is left behind for intelligence services to trace.

2. **Simultaneously, in Lebanon — the money is received.**

Another exchanger in Lebanon (one of the six offices mentioned in this document), who is a partner in the same Hawala network with the Turkish exchanger, hands over the same cash amount to Hezbollah representatives in Lebanon.

Again, no actual bank transfer is made. No documentation, no invoices, and no digital traces.

3. **A hidden debt is created between the exchangers.**

A situation of a hidden debt is formed — the Turkish exchanger is now "indebted" to the Lebanese exchanger for the \$100,000.

They do not need to close the offset immediately — they simply keep an agreed-upon internal record. Exchangers are patient about closing the offset, and it can even be settled in stages over time.

4. **An unrelated client arrives — and helps close the offset.**

Another customer, for example a Lebanese resident who wants to send money to his son studying in Turkey, comes to the Lebanese exchanger and gives him a certain sum. That Lebanese exchanger then contacts the Turkish exchanger and asks him to deliver the corresponding amount that was already deposited to the Lebanese student in Turkey — and so the loop is closed.

In this way, the money "moved" from one country to another, even though it never physically left either country. The money was “transferred” in practice, without being physically moved.

This method is ideal for terrorist organizations, because there is no formal documentation, no use of the global banking system that can detect suspicious patterns, and no geographic boundaries. All that’s needed is a network of trust between exchangers. It is extremely difficult to incriminate those involved — since each participant can claim they did not know the purpose of the money.

## Characteristics of the Exchange Offices

The exchange offices examined in this document share several common features, including notable geographic concentration in key areas such as the Hamra neighborhood in Beirut and the Beqaa region — areas considered strongholds of Hezbollah's influence and control. These offices also maintain tight sectoral connections and an outward appearance of legitimate business credibility. Most are family-run enterprises, protected either by local clans or operating under Hezbollah's patronage.

The exchange offices mentioned here are not fringe players. They are well-known establishments, some of which hold a Category A license from the Bank of Lebanon, which grants them permission to transport cash and precious metals and to operate in international markets.

It is precisely this formal legitimacy that makes it more difficult to detect their activities in service of Hezbollah.

## How Can the Exchange Axis Be Confronted? Is It Even Possible in Lebanon?

Addressing the exchange axis requires a deep understanding of Lebanon's business culture, its tribal and sectarian structure, the political, security, and civilian pressures at play, and the impact of the fear factor associated with Hezbollah on how exchangers behave. It also requires the ability to distinguish between a legitimate business and one serving as a tool for a terrorist organization.

Will the new directive issued by the Bank of Lebanon on July 14, 2025, in response to international pressure (mainly American), actually result in revoking the licenses of the six exchange offices listed in this document?

Will the Bank of Lebanon sever all ties with them and ensure that other financial institutions in Lebanon do the same?

We have serious doubts...

(Note – this refers to Directive No. 13735, whose purpose is to protect Lebanon's financial and economic sector from cooperation with entities that are non-compliant and subject to sanctions by foreign authorities, in accordance with Law No. 44 of November 24, 2015, on combating money laundering and terrorism financing.)

## Recommendations to the International Community, Led by the United States

Below are several recommendations we formulated following the collection of open-source information (see appendix) regarding the six exchange offices mentioned in this document, which were identified as direct sources of funding for Hezbollah:

### 1. **Imposition of Sanctions and License Revocation.**

The only exchange office currently under sanctions is "Hassan Ayash". Sanctions have also been imposed on its owner.

We found no indications of international sanctions imposed on the other five offices, their owners, or other relevant stakeholders involved in them ("Mecattaf", "Maliha", "Yara", "Al-Sadiq", and "Al-Insaf").

In addition, Lebanon should be required to revoke the licenses of these offices.

Furthermore, any entity conducting business with these exchange offices should be exposed to the risk of sanctions.

### 2. **Demand for Thorough Examination of Potential Links Between Saradar Bank and Hezbollah.**

Ramez Pierre Mecattaf, the owner of the "Mecattaf" exchange office, is also a shareholder in the private Lebanese Saradar Bank.

In light of this, there is a need to examine whether the bank's platform is also being exploited — directly or indirectly — to serve Hezbollah's financing axis.

### 3. **Shareholding in Saradar Bank by Ramez Mecattaf**

Ramez Pierre Mecattaf represents a link between "Mecattaf" and Saradar Bank (via cross-ownership).

Therefore, it is necessary to examine the implications of the Bank of Lebanon's July 14 directive regarding his continued ability to hold shares in the bank.

## Appendix – Additional Details on Exchange Offices Connected to Hezbollah:

### 1. "Mecattaf" Exchange – (Ramez Mecattaf S.A.L) (مكتف للصيرفة ش.م.ل.)



- Owned by the Lebanese Christian businessman, **Ramez Pierre Mecattaf (رامز بيير مكتف) (Ramez Pierre Mecattaf)**
- Place of residence: Sin El Fil, Matn District, Lebanon

#### Current Roles:

- Chairman and CEO of the Ramez Mecattaf S.A.L. company, specializing in currency and gold trading.
- Board member and shareholder in Saradar Bank. The bank is a private and independent Lebanese bank. Major shareholders in the bank include Carlos Ghosn, the Mikati Group, the Saradar family, and Ramez Mecattaf. The bank is considered one of the key players in the Lebanese financial sector, with an emphasis on digital services and modern banking. Based on open sources, no direct connection was found between Saradar Bank and Hezbollah.

#### Education:

- Bachelor's degree from the American University of Beirut (AUB).
- Master's degree in Business Administration (MBA) from Boston College, United States.

#### Professional Experience:

- About 31 years as CEO and board member of a leading trading company in Lebanon.
- In 2016, founded the company Ramez Mecattaf S.A.L., focusing on currency and gold trading.
- Served twice as chairman of the Lebanese Money Changers Association (2007–2009, 2012–2014).



## Financial Activity Patterns

- "Mecattaf" Exchange presents itself as the **largest trader in Lebanon in cash notes ("banknotes" – see explanation below) and gold**, operating under the image of a legitimate and international financial entity. It emphasizes compliance with **Anti-Money Laundering and Counter-Terrorism Financing regulations (AML/CTF)**, as well as adherence to U.S. Treasury sanctions regulations (**OFAC – Office of Foreign Assets Control**). However, in practice, the company frequently appears in the informal economy – i.e., the gray market – where it engages in cash transfers and dollar transport for small banks and private exchangers, at times without full documentation or regulatory oversight.
- According to an [Al-Modon investigation](#), "Mecattaf" **maintains credit-based working relationships with junior exchangers** who purchase dollars for it on the black market; during a raid in May 2020, about 500,000 dollars were found with those exchangers — sums eight times greater than their registered capital.

The term **"banknotes"** refers to physical cash bills – that is, bills issued by a central bank and considered legal tender. In the context of currency exchange and financial trading, the concept of "banknote trading" means the buying, selling, transportation, or storage of physical cash – as opposed to bank or digital money transfers. For companies like "Mecattaf", which specialize in the transport of cash and gold, banknotes are the core of the business and often serve as a critical link in informal financing networks such as Hawala. The use of cash hinders regulatory tracking, making banknotes a preferred tool among terrorist organizations for money laundering and transferring funds under the radar.

## Ramez Mecattaf's Involvement in the Lebanese Dollar Crisis Investigation, May 2020

- During the dollar crisis in Lebanon in May 2020, the [financial prosecution](#) (headed by Judge Ali Ibrahim) focused on senior exchangers suspected of manipulating the lira exchange rate. On May 11, 2020, Ramez Mecattaf was arrested after being investigated on suspicion of illegal influence on dollar prices and violation of currency exchange regulations. His investigation was accompanied by raids on company offices and document seizures. According to him, he only provided cash transport services for licensed banks and did not trade on the black market; however, the prosecution attributed to him ties with junior exchangers who traded "under the radar". On May 27, 2020, the court released Mecattaf on bail of 10 million Lebanese pounds (~\$3,300) and ordered him to temporarily refrain from money exchange activity until proceedings were completed, along with representatives of the exchangers' association arrested in the same [affair](#). Since then, the case has remained open without a final conviction and is still

seen as a central component in the state's efforts to curb currency speculation amid the economic collapse.

### **"Mecattaf" Exchange – Financing Infrastructure for Hezbollah**

- The business structure, financial scale, and logistical capabilities of the company "Mecattaf" are a classic potential fit for Hezbollah's terror financing infrastructure. The company controls the Lebanese market in cash note and gold trading, operates an extensive money transport network, and maintains relationships with banks and exchangers throughout the region. It is an ideal infrastructure for an organization like Hezbollah, which operates outside the formal banking system and requires means to transfer cash, launder money, and obscure financial trails.

### **2. "Yara" Exchange – (Yara Exchange) (يارا للصيرفة)**

A cash exchange company located in the heart of Beirut, situated on Makdissi Street in the Abdullah Younes Building, second floor, in the Hamra neighborhood – an active commercial area known for its accessibility to non-bank financial movement.

The company is owned by Mohamad Badr Barbir and in partnership with Ghassan Mohammad Chehab, who are registered as the two managing partners.

Its official activity includes currency exchange, transport of banknotes (cash bills – see explanation above), and the provision of Hawala services – money transfers without formal banking documentation – and it operates within regional and international exchange networks.

### **Involvement in the 2020–2021 "Dollar Crisis" Investigations**

- December 4, 2020 – The Prosecutor of Appeals for the Mount Lebanon district, Judge Ghada Aoun, summoned Ghassan Chehab from Yara Exchange for questioning on suspicion of manipulating the Lebanese lira exchange rate and violating currency exchange regulations (source: [aljazeera.net](https://aljazeera.net/news/economy/2020/12/4/yara-exchange)).
- According to reports by Al-Jadeed, the investigation was part of a wave of arrests against exchangers who traded U.S. dollars above the official exchange rates set by the Bank of Lebanon, as part of the state's attempt to halt the collapse of the currency.
- No final indictment was published; however, the summons highlighted Yara Exchange as a central player in the cash supply chain operating in the gray market.

## "Yara" Exchange – Financing Infrastructure for Hezbollah

- The operational structure of the "Yara" office – including massive cash trading, a regional network of exchangers, and the use of the Hawala mechanism – makes it an attractive infrastructure for Hezbollah.

### 3. "Al-Insaf" Exchange – (Al-Insaf Exchange) (شركة الإنصاف للصيرفة)

#### Identity and Ownership

- The company is effectively managed by the brothers Ali and Hussein Shams ("Shams Bros.") – members of a well-known Shiite family in the Lebanese financial sector, active in the exchange industry since the 1990s.

- Full registered name under license:

"Al-Insaf Company for Currency Exchange – Ali and Hussein Shams and their Partner"

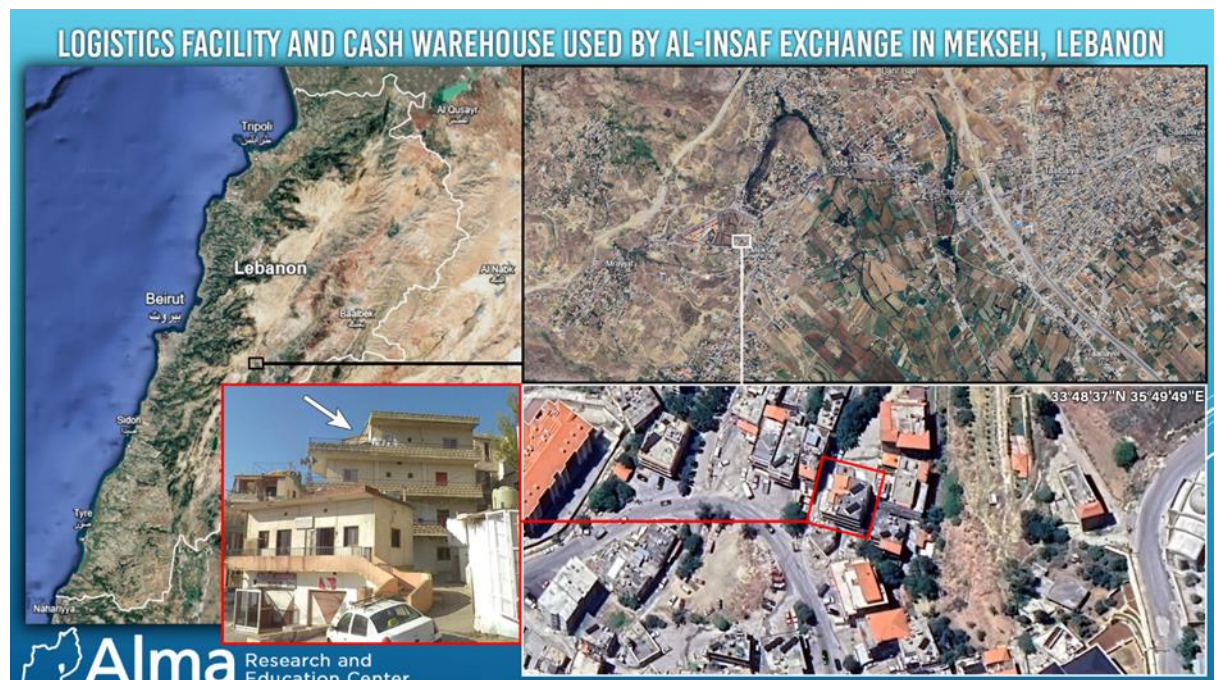
– (شركة الإنصاف للصيرفة علي وحسين شمس وشريكتهما)

Licensed by the Board of the Bank of Lebanon on July 12, 2006 (source:

[legiliban.ul.edu.lb](http://legiliban.ul.edu.lb))

#### Known Locations and Branches

- Hamra Street, Beirut – flagship branch; attacked by the Israeli Air Force on November 26, 2024 (source: [mtv.com.lb](http://mtv.com.lb)).
- Beqaa – logistics facility / cash storage warehouse:



- Reports point to a counting station located on the road between Shtoura (a central Shiite town in the Beqaa under Hezbollah control) and the Al-Masnaa border crossing with Syria – a frequently used route for cash transfers to Syria during the Assad regime.

#### **Activity Patterns**

- Holds a Category A license (Lebanon) – authorized to transport cash banknotes and precious metals into and out of Lebanon, and to operate a Hawala mechanism among exchangers in neighboring countries.

#### **Involvement in Investigations**

- The company appeared in lists of entities investigated in the “Dollar Crisis” affair between 2019–2021, but no final indictment was published.

#### **"Al-Insaf" Exchange – Financing Infrastructure for Hezbollah**

- The attack on the main branch in Beirut/Hamra by the IDF in November 2024 indicates a direct link to Hezbollah’s terror financing infrastructures.
- Its Category A capabilities enable the movement of large volumes of U.S. dollars, a critical element in funding covert operations.

#### **4. "Al-Sadiq" Exchange – (Al-Sadiq Exchange) (الصادق للصيرفة)**

##### **Company Activity**

The company "Al-Sadiq", owned by Haitham Abdallah Bakri (eliminated by Israel on June 24, 2025), served as a central link in Hezbollah’s financing mechanism, using the Hawala method to transfer funds outside the official banking system.

The company was involved in transferring funds from countries such as Iran, Turkey, Iraq, and the United Arab Emirates to exchange offices in Lebanon, without passing through formal financial channels.

The funds were used for: terror activity financing, weapons procurement, payment operatives salaries and construction of military infrastructures.

#### **"Al-Sadiq" Exchange – Financing Infrastructure for Hezbollah**

"Al-Sadiq" Exchange served as infrastructure for the storage and transfer of funds used to finance Hezbollah’s terrorist activities, funded by the Iranian Quds Force.

Haitham Bakri knowingly cooperated with Hezbollah in transferring money for the organization's terror-related purposes.

As a result of its activities, both "Al-Sadiq" and Haitham Bakri became targets in the economic campaign against terror financing. Bakri's elimination constitutes a serious blow to Iran's financial channels to Hezbollah and underscores the importance of disrupting financial infrastructures that support terrorism.

#### THE FREEZING OF THE TRANSFER OF REHABILITATION FUNDS BY HEZBOLLAH?



HAITHAM ABDALLAH BAKRI - THE  
HEAD OF THE  
"AL-SADIQ" EXCHANGE NETWORK  
ELIMINATED JUNE 24, 2025



BEHNAMEH SHAHRIARI -  
COMMANDER OF UNIT 190  
OF THE QUDS FORCE  
ELIMINATED JUNE 21, 2025



جمعية مؤسسة القرض الحسن  
Al-Qard Al-Hasan Association



#### 5. "Maliha" Exchange – (Maliha Exchange) (مليكة للصيرفة)

**Ownership:** Hussein and Ameer Abdo (حسين وعبير عبده)

**Registration Status:** Legally registered in Lebanon under number 702 on the list of authorized exchange institutions by the Central Bank of Lebanon

**Location:** Beirut, Lebanon

**License Type:** Private currency exchange company

Maliha Exchange also serves as financing infrastructure for Hezbollah.

#### 6. "Hassan Ayash" Exchange Company – (Hassan Ayash Exchange Company) (حسن عياش للصيرفة)

**Ownership:** Hassan Mohammad Hussein Ayash (حسن محمد حسين عياش)

**Registration Status:** Listed among the licensed exchange institutions by the Central Bank of Lebanon

**Location:** Beirut, Lebanon



## **Hassan Ayash Exchange – Financing Infrastructure for Hezbollah**

In 2011, U.S. authorities filed a civil lawsuit against several Lebanese financial institutions, including the "Hassan Ayash" exchange company, on charges of assisting in laundering \$483 million for Hezbollah.

These funds, which originated from drug trafficking, were transferred from the United States and Africa to Lebanon through exchange networks, using the Hawala system to transfer money outside the official banking system.

The American lawsuit emphasized the link between drug trade, money laundering, and terror financing, noting that a portion of the funds was used directly for Hezbollah's activities.

Over the years, the company continued to operate in Lebanon and is regarded as one of the central exchange offices involved in transferring money to Hezbollah.

Following the 2011 civil suit, U.S. authorities moved to seize assets and impose economic sanctions against Hassan Ayash Exchange and its owner, Hassan Mohammad Hussein Ayash.