

# **KULLUNA IRADA FREQUENTLY ASKED QUESTIONS**



**APRIL 2024**

# TABLE OF CONTENTS

Who is Kulluna Irada? .....	3
Who funds Kulluna Irada? .....	5
Why are you the target of media attacks? .....	6
Kulluna Irada is accused of falsifying its financial statements, what is your reply to this? .....	7
What is your position on Hezbollah? .....	8
What is your position regarding the distribution of losses in the financial system and deposit recovery? .....	9
Why are you accused of wanting to slash deposits? .....	11
Are you in favor of the state repaying depositors? .....	12

# WHO IS KULLUNA IRADA?

**Kulluna Irada is an advocacy group founded in 2017** by Lebanese individuals from both the diaspora and Lebanon. Its members are individuals committed to contributing to the establishment of a sovereign state and rebuilding an economic and social model that serves all Lebanese citizens. We are not a political party.

The internal governance of Kulluna Irada requires majority decision-making and adheres to strict rules to avoid conflicts of interest. Members of the board have pledged not to run for elections and to refrain from participating in any public auctions. Their resignation is automatic if they choose to join a political party or assume public office.

## BOARD OF DIRECTORS



**Firas Abi-Nassif**  
Managing Partner -  
Teleios Capital  
Partners



**Diane Assaf**  
Partner - Assaf &  
Associates Law Firm



**Karim Bitar**  
Director - Institute  
of Political Science  
at USJ



**George Bitar**  
Managing Partner -  
Rho Acceleration



**Rabih El-Amine**  
Founder and CEO -  
Alef International



**Robert Fadel**  
Seasoned Political  
and Private-sector  
Leader



**Ali Khalil**  
CEO - Kuwait  
Financial Center  
"Markaz"



**Randa Khalil**  
Owner - Randa Khalil  
Raad Jewelry



**Albert Kostanian**  
Managing Partner -  
Levant Consult



**Philippe G.  
Massoud**  
CEO ilili Restaurants /  
ilili Brands



**Dalia Salaam  
Rishani**  
Owner - Hood Hood  
Books



**Wafa Saab**  
CEO - Tinol Paints  
International



**Bassam Yammine**  
Founder and CEO -  
Excelsa Development  
Holding

*More details on the board members here:  
> <https://kulluna-irada.org/board>*

## EXECUTIVE TEAM manages the organization's operations.



**Diana Menhem**  
Managing Director



**Sibylle Rizk**  
Director of Public  
Policies



**Rita Bahout**  
Administrative  
Manager



**Jihane Zgheib**  
Operations  
Coordinator



**Carole Abi Jaoude**  
Political Networking  
Director



**Nathalie Abou  
Harb**  
Media Monitoring  
Specialist

*More details here: > <https://kulluna-irada.org/team>*

# WHO FUNDS KULLUNA IRADA?

Kulluna Irada is exclusively funded by the annual contributions of its members. Contributions from corporations, private institutions, or public entities are not accepted. Individual contributions are capped to ensure the diversity of funding sources.

Kulluna Irada also conducted a specific fundraising campaign for the 2022 elections, the accounting of which is publicly available. The goal of this support was to contribute to the parliamentary representation of pro-reform figures.

A recurring fake news claim is that Kulluna Irada is funded by Open Society Foundations (George Soros). We do not receive funding from Open Society and never have. A simple visit to the website of the Open Society Foundations is enough to establish this. In any case, Kulluna Irada does not accept any institutional funding.



## ACTIVITY REPORT

> <https://kulluna-irada.org/activity-report>

# WHY ARE YOU THE TARGET OF MEDIA ATTACKS?

- The direct aim of these attacks is to silence the organization particularly with regards to its posture regarding financial and economic reforms. The attacks on Kulluna Irada are part of a wider and systemic attack on civil society and alternative media outlets calling for a just restructuring of the financial sector and accountability for those responsible for the financial crisis.
- The attack also seeks to intimidate incoming government officials that are trying to push for reform, particularly that the new government will be responsible for key appointments and financial decisions.
- It also aims to discredit the reformist movement in Lebanon, particularly ahead of the 2026 elections.

In this recent **LBC interview**, Kulluna Irada's Managing Director, Diana Menhem, addresses the root causes of the campaign and explains the organization's position.



> <https://kulluna-irada.org/ar/news-133>

# KULLUNA IRADA IS ACCUSED OF FALSIFYING ITS FINANCIAL STATEMENTS, WHAT IS YOUR REPLY TO THIS?

**We categorically reject the allegations of falsifying our financial statements. All our documents are fully legal and comply with applicable laws. The allegations being circulated are part of a deliberate disinformation effort. We would like to clarify the following:**

- 1. Legality of Establishment:** Kulluna Irada submitted its establishment file to the Ministry of Interior and Municipalities on August 3, 2017, to obtain its NGO attestation, in accordance with the law. However, the Ministry did not issue the relevant statement of notification (Elem w Khabar) until four years later, on October 12, 2021.
- 2. Financial Transparency and Compliance:** Before obtaining the statement of notification from the Ministry of Interior and Municipalities, and to ensure its financial accounts remained compliant and properly audited, the founders of Kulluna Irada established a non-profit civil company. This company's accounts are transparent, audited, and duly filed with the competent fiscal authorities.
- 3. Financial Records:** The accounts aired during the MTV newscast on Saturday, March 8, represent the financial records of the NGO before the start of its legal activities. The correct reference should have been to the accounts of the civil company.

*Thus, any claims suggesting that the association has failed to submit its legal papers or annual accounts are incorrect and based on fragmented and distorted information.*

**For more details, please refer to the the official statement issued by Kulluna Irada**

**><https://kulluna-irada.org/ar/release-146>**



# WHAT IS YOUR POSITION ON HEZBOLLAH?

Kulluna Irada stands unequivocally for the immediate and total reclaiming of Lebanese sovereignty, which necessitates the full and unconditional disarmament of Hezbollah and all other armed factions. We demand the complete enforcement of UN Resolutions 1559, 1680, and 1701, ensuring that no entity outside the Lebanese Armed Forces wields military power.

The monopoly over defense and foreign policy must rest solely with the Lebanese state, without interference from any armed group, domestic or foreign. We strongly support the clear stance taken by President Joseph Aoun and Prime Minister Nawaf Salam's government in upholding this principle.

There is no path to economic recovery, stability, or national dignity without absolute and undivided sovereignty. Lebanon must break free from the grip of armed militias that have long hijacked its institutions, undermined its economy, and eroded its independence.



# WHAT IS YOUR POSITION REGARDING THE DISTRIBUTION OF LOSSES IN THE FINANCIAL SYSTEM AND DEPOSIT RECOVERY?

Proceeding with bank restructuring and gap resolution is an utmost priority to address the sector's immense losses in an orderly and fair manner, to guarantee equitable recovery for depositors, and to restore credit to the economy, with the objective of rebuilding a financial system that supports investments and growth.

---

## ANY GAP RESOLUTION PLAN SHOULD ADHERE TO THE FOLLOWING GUIDING PRINCIPLES:

---

- **Respect of the hierarchy of claims** ensuring that losses are borne first by shareholders, followed by bondholders, before depositors.
- **Prioritize an equitable recovery by protecting the vast majority of depositors**, guaranteeing full reimbursement of deposits below a certain threshold, and addressing the needs of collective healthcare funds, pension plans, and social security resources.
- **A series of additional measures should be adopted in order to increase deposit recovery levels.** This includes clawback of excessive interest income and dividend payments, partial lirafication, and bail-in, i.e., converting deposits into equity or subordinated debt instruments of the bank.
- **The remaining balance of unrecovered deposits can be transferred to a Deposit Recovery Fund**, whose function is to compensate depositors over time through the collection of recovered illicit assets or revenues from state-owned enterprises, as long as it adheres to debt sustainability principles and adequate public services.
- **Legitimate deposits should serve as the sole eligibility criterion** verifiable through a comprehensive audit process. An escrow account can be established to hold questionable deposits until the completion of inquiries and audits.

- **No restructuring process can be conducted nor credibility regained by the banking sector without a full audit of the central bank and banks.** Establishing accountability will be an important step in renewing trust in the financial system.
- The aforementioned principles should be adopted as guidelines in any plan developed by relevant stakeholders for bank restructuring and gap resolution.



**For more on our position, you may refer to the policy note below:**

> <https://kulluna-irada.org/ar/article-167>

# WHY ARE YOU ACCUSED OF WANTING TO SLASH DEPOSITS?

Evidently, Kulluna Irada, as an organization, was not involved in the series of economic and financial decisions that led to the crisis. Attacks on the organization are a deliberate attempt to divert attention away from those responsible: Hezbollah's destabilizing actions, a corrupt political class, public sector waste and a financial sector, including its regulator, that has mismanaged deposits—all of which have isolated Lebanon economically and driven away vital foreign investments.

---

## THE RESPONSIBILITY FOR THE FINANCIAL SECTOR CRISIS WHICH HAS LED TO ONGOING HAIRCUTS ON DEPOSITS:

---

- **The political class** that has mismanaged public funds, and that has failed in heeding warnings of the crisis and preempting it, failed in exercising its monitoring and auditing role, and later on failed in passing adequate legislation to address the crisis. This includes both the executive and legislative branch.
- **The Central Bank** that has adopted unsustainable monetary policies that led to the depletion of dollars from the system (mainly due to the peg) and that pursued a kicking the can policy through financial engineering operations that were in fact a ponzi scheme, and deemed responsible for a significant portion of the losses as per the audit conducted by Alvarez and Marsal.
- **The banks** that have failed to uphold their fiduciary responsibilities, creating substantial concentration risk by depositing the major share of their dollar liquidity (i.e. depositors' money) at the central bank, in return for generous interests, while well aware of the risks that this entailed.

Kulluna Irada has been calling for a plan since 2019 that maximizes depositor recovery. Since 2019, we have argued that it was possible to fully repay over 90% of depositors up to \$500,000 per depositor. However, some stakeholders in both the political and financial system have blocked any solution. In addition, deposits continue to be subject to haircuts through BDL circulars. Those same stakeholders are in fact 'slashing' deposits, and not Kulluna Irada.

It is worth recalling that the IMF warned the central bank and political authorities as early as 2015 about the severity of Lebanon's financial situation. They chose to ignore the warning and instead kicked the can down the road through « financial engineering » operations. According to the IMF, in 2017, it was possible to repay all foreign currency deposits had a restructuring plan been implemented then.

# ARE YOU IN FAVOR OF THE STATE REPAYING DEPOSITORS?

The state will inevitably contribute to the compensation of the depositors. The crucial question is: to what extent?

Any resolution will need to take into account among others (1) respecting the hierarchy of claims with respect to the distribution of bank losses and (2) determining the state's financing capacity based on its resources and obligations.

---

## **ALLOCATING PUBLIC RESOURCES TO COMPENSATE DEPOSITORS MUST ADHERE TO THE FOLLOWING PRINCIPLES:**

---

- It must not deprive citizens of essential public services and rights.
- It must preserve debt sustainability.



K U L L U N A I R A D A